

REPORT

OF A

SURVEY OF INDUSTRIAL RELATIONS

INCLUDING RECOMMENDATIONS REGARDING

THE LABOR POLICY IN THE MILLS OF

THE FULL FASHIONED HOSIERY

MANUFACTURERS ASSOCIATION

OF PHILADELPHIA

THE SCOTT COMPANY

PHILADELPHIA, PA. CHICAGO, ILL. SPRINGFIELD, MASS.

REPORT OF A SURVEY OF INDUSTRIAL
RELATIONS REGARDING THE LABOR
POLICY IN THE FOLLOWING MILLS
OF THE FULL FASHIONED HOSIERY
MANUFACTURERS ASSOCIATION OF
PHILADELPHIA :

HARRY C. ABERLE CO.
APEX HOSIERY CO.
BOWER & KAUFMANN
BRENTMORE KNITTING MILLS
HENRY BROWN CO.
CAMBRIA SILK HOSIERY CO.
CONCORDIA SILK HOSIERY CO.
FIDELITY KNITTING MILLS
HAINES HOSIERY COMPANY
HANCOCK KNITTING MILLS
HENRY LEHMUTH CO.
M. B. LAUBACH CO.

THE SCOTT COMPANY
Philadelphia, Pa.

LETTER OF TRANSMITTAL

751 Drexel Building, Philadelphia.

September 22, 1919.

To the President of the Men and Managements Textile Council and to the President of the Full Fashioned Hosiery Manufacturers' Association.

Gentlemen:

On July 10, 1919, the Men and Managements Textile Council and the Full Fashioned Hosiery Manufacturers' Association of Philadelphia jointly authorized The Scott Company to make an investigation of the labor situation in the mills of the Full Fashioned Hosiery Manufacturers' Association.

In the preparation of this report, The Scott Company has received the co-operation of the various members of the Full Fashioned Hosiery Manufacturers' Association, and is particularly indebted to Mr. C. Stanley Hurlbut and Mr. William Meyer for their assistance.

The investigation has been directed by Mr. L. B. Hopkins. Miss Anna Bezanson, Mr. E. C. Davis and Miss Carolyn Kranz have collected data upon which this report is based and have contributed very largely to the conclusions which have been drawn and recommendations which have been made.

The analysis of the information obtained and the decisions leading to the proposals embodied in this report are the result of the co-operative efforts of the various members of this Company.

Respectfully yours,

THE SCOTT COMPANY.

CONTENTS OF REPORT

This report deals with the relations between the workers and managements in the mills of the Full Fashioned Hosiery Manufacturers' Association. These relations are sometimes between the Association and one of the unions represented in the mills—generally, in such cases, the principle of collective bargaining is recognized both by the Association and the union concerned. Sometimes the relations are between an individual or a group of individuals in one mill and the manager of that mill. These relations differ in each mill according to the personality of the management. This relationship is generally thought of as beginning when the new employe starts on the job. Actually, it begins when the new employe first comes in contact with a knowledge of the mill. This knowledge is sometimes gained through a chance acquaintance or friend and sometimes through the first contact with the person who offers him a job, or to whom he applies for work.

The attitude of individual workers not only affects the relations between a group of workers in one mill and their management, but it also affects the relations between affiliated groups in various mills of the Association and the Association as a whole.

We have, therefore, in PART I of this report, placed considerable emphasis on "the relations between the individual managements and their individual employes." Under this heading we have stated the facts as we discovered them in our investigation and recommended to you such actions as we believe you should take to improve these relationships.

The relation between the Association and the affiliated groups of employes is covered in **PART II** of this report. An analysis of earnings by groups and by occupations will be found in **PART III** of the report, and

in **PART IV** we will submit our recommendations concerning the keeping of employment records and the work of

- (a) An employment record clerk,
- (b) An employment manager,
- (c) A labor manager,
- (d) A collective agreement regarding labor relations, to be worked out jointly by representatives of the unions concerned and representatives of your Association.

A CONCISE STATEMENT OF THE CONTENTS OF THIS REPORT

The study of the labor relations in the Full Fashioned Hosiery Manufacturers' Association naturally begins with a survey of the relations between the workers in the separate mills and their managers.

PART I

In Part I of the report we have discussed the relation of each mill owner with the help in his mill. Our investigation has convinced us that the lack of a definite labor policy greatly overshadows the natural advantages that your industry offers as an inducement either for prospective employes to come into the industry or for present employes to remain.

Your present method of securing new employes tends to bring into your mills a type of individual that will do much to increase the instability of your working force, as well as to decrease the attractiveness of the work from the standpoint of the more desirable class of possible future employes.

As a part of your labor policy a study of the sources of labor supply should be made. The need for such a study is all the more acute because of the evident shortage of women workers in the industry. This is discussed in the detailed report.

The entire lack of any policy as regards the initial wage raises a question, which is admittedly difficult of solution. Nevertheless, this question should be carefully studied, and a policy should be decided upon which will remove the possibility of flagrant injustices in this regard, such as are referred to in the detailed report.

You are already burdened with the responsibility of making decisions regarding the types of machines in use and to be purchased. It seems to us important, however, that you adopt some policy immediately in this regard; so that from the standpoint of labor relations you may make your policy known to your employes. The prac-

tice in different mills is not at all consistent as regards extra compensation because of the frequent breakdown of old machines, or as regards allowances for delays caused by lack of material and poor stock. The injustice of making no allowances in the employe's envelope for time that he is constantly forced to lose through no fault of his own is evident. Even though allowances are made, there may still be injustices as long as the amount of allowance is determined upon the basis of the individual concerned by the foreman or supervisor, who will of necessity be influenced at times by personal prejudices.

If, through the lack of a labor policy, the opinion is allowed to take form that discriminations between employes on the part of the foreman are approved, or even tolerated, other influences will develop with most unfortunate results.

Perhaps one of the more evident results of a lack of policy is the absence of any plan for training. Not only are the employes left to move about from mill to mill as they see opportunity of learning work which will result in increased earnings, but they are also forced to take the initiative in moving from one process to another within the mill. This question of a policy for training both boys and girls is one that demands your immediate and careful attention. At the end of Part I of our report, you will find a discussion of training plans and methods, together with our recommendations.

In Part I we have stressed the attitude of individual employes. This attitude is influenced by their desire to advance and to secure a continuance of their industrial standards. We have also referred to the need of you, assuming the obligation, that is yours, of assisting them in acquiring more ability and of providing an evident opportunity to advance and use this ability when it is acquired. We have tried to point out in detail our reasons for emphasizing these needs and the necessity of your part for gathering information that will guide you in your efforts to remedy the situation.

PART II

In Part II we have attempted to show the relations between the workers, as an industrial group, and your Association. In the full-fashioned hosiery industry many of the operatives need to possess definite skill for the proper performance of their work. These operatives have a pride in their ability and in their occupation because of the skill required, the quality of the material upon which they work, the nature of the processes involved and the attractiveness of the finished product. Previous to the war, these operatives felt that they enjoyed the distinction of belonging to the aristocracy of the textile industry, and tangible evidence of their position was found in an earning power higher than that of any other textile group.

In Part II we have reported the needs and opinions of the workers as we have found them to exist, and we have tried to make it plain to you that these needs and opinions are important; not so much because they can or cannot be substantiated, as because the attitudes and the actions of the workers will remain unchanged as long as they continue to believe in these needs and opinions. It is the belief of the full-fashioned hosiery workers that since the war began they have been constantly losing the advantage in earning power that they had in the textile industry. As long as they believe this, it is natural that they should resent the effect of such a loss upon their standard of living and upon their future working life.

In the relation between the affiliated groups of employes in your industry and your Association there is additional evidence of the need of a definite labor policy. Because of the complexity of the relations between various groups of the employes and because of the difficulties that arise therefrom in their various relations with your Association, it is certain that any attempt to work out a labor policy will not be successful without the co-operation and support of the various unions represented in your mills. You have your own intimate knowledge of

the details of the development of the various labor organizations in the mills of your Association. This development has been marked by frequent disagreements, threatened strikes and strikes. As these events have taken place, your task has been to watch each development in the light of its influence upon your own problems. It is, therefore, natural that your impressions of the significance of these events should be influenced by the position you held at the time they occurred. For this reason we have included in Part II a history of this development from an outside standpoint, together with comments as to the opinions held among the workers. Mention has been made of the fact that in many instances the workers have felt that the lack of information which was essential to a fair decision, has resulted in an unfair attitude on the part of the Association. If for no other reason than this, it is desirable that your Association attempt to work out a labor policy with the cooperation and assistance of the labor unions, in order that they may be informed of your purpose and the methods that you will use to get the true facts, on the basis of which you will shape your future policies.

PART III

In Part III we have given you the results of our study of payroll earnings in the mills of your Association. Such facts as are of particular concern to the individual managers have not been included in this general statement but will be handed to the individuals concerned. There are three important points that these figures bring out. First, the irregularity of earnings from week to week or month to month is of so serious a nature in certain occupations as to make it quite impossible for the worker to determine with any degree of certainty what his future earnings may be. We are confident that, after you have studied these figures, you will recognize the need of change and will want to change this condition as far as it is within your power to do so. The natural approach

to this problem will be to adopt some method of determining what part of the variation for each employe is due to conditions within the employe's control, and what part is due to conditions that the individual mills can remedy. Second, the difference in the average earnings of employes on the same occupation in one mill as compared with the average earnings of like employes in another mill is brought out. Third, the tabulations show a great variation in the earning power of different individuals on the same occupation. This difference is so large that a study should be made to determine the cause. This knowledge might make possible the increasing of output if the cause is chiefly due to difference of individual ability, or, if the cause is due to different grades of material, such knowledge of the facts would make possible a method of assigning work, which would eliminate the charge of favoritism on the part of the foreman.

PART IV

In Part IV we have recommended that you establish in each mill in the Association employment records, which may later assist you in improving the labor relations in your industry. The establishment of such records necessitates at least the appointment of an employment record clerk to maintain them. Where the size of the mill warrants it, we have recommended that an employment manager be installed, one of whose functions will be the gathering and interpreting of the records needed. Finally, we have recommended that you attempt to develop a plan of industrial government, which shall be worked out jointly between representatives of your Association and representatives of the unions active in your mills, and we have laid emphasis on the necessity of approaching this task with entire good faith and with patience.

In spite of the difficulties that always attend any such effort, we believe that the possibilities for success are such that you cannot afford to allow this opportunity to pass.

PART I
RELATIONS BETWEEN THE INDIVIDUAL MAN-
AGEMENTS AND THEIR INDIVIDUAL
EMPLOYEES

This survey in the twelve mills of your Association was made from July 24th to September 10th. Being vacation season, it was difficult to get appointments to see managers of mills to explain the purpose of visits. We realized that this would be the case in undertaking the survey, and, as a result, our plan was to visit each mill, getting acquainted with executives and getting a general impression of the industrial difficulties and problems without attempting to do detailed work.

From the beginning we fully realized that the time was too short to undertake intensive work at individual plants. However, because of the importance of the question of earnings and as a result of the willingness of the executives to co-operate by making their payroll records available to us, we were able to undertake a study of earnings instead of depending upon a comparison of rates.

In many respects the Philadelphia hosiery industry is fortunate. Its mills are small enough for the owner's personalities and their own devotion to the industry to affect their dealings with employees. Again, the industry need not be one with blind-alley occupations.

Young people, whether boys or girls, can be given opportunity, upon entering the plants, to acquire skill and to learn a trade in the industry. Work is fairly clean on the whole, free from heavy lifting, and, except in the drying and finishing processes, free from dampness. The distracting noise and the unusual amount of lint and dust, common to most other branches of the textile industry, are conspicuously lessened in the full-fashion hosiery plants. In the silk work, the lint and dust are wholly eliminated. None of the operations could be considered dangerous, and the exceedingly small number of accidents, as compared to many other industries, is

ticeable. Outside of the dyeing room, there are no disagreeable odors nor any danger of poisoning from the use of chemicals or the presence of fumes.

On the other hand, the emphasis on the care of material often makes the workrooms very close and warm; the quality of the work demands a great deal of eye-strain; while the structure of the machines necessitates constant standing and considerable walking in connection with all men's work. From the point of view of employment, in few industries is the steadiness of work and the daily output of one group of workers so wholly dependent upon processes immediately preceding it. With this latter fact in mind, visits were made to all plants in the Association:

- (1) To determine present methods of securing employes, training and maintaining them;
- (2) To discuss with the management labor difficulties and to learn their interpretations of the present labor problems in the industry; and
- (3) To compare physical equipment, processes, and working conditions for all the twelve plants involved.

It is recognized that the plants differ in their problems, owing to the very different quality of work manufactured. **It is also recognized that in including the conditions of twelve plants in a joint statement, emphasis will be laid upon some matters already receiving attention by some few of the establishments, though not generally adopted.** Out of the conference with the managements it is apparent that all firms would agree:

- (1) That there is at present a real shortage of women workers from plant to plant. Especially is this true among toppers and wareroom workers;
- (2) That there is equally a lack of certainty of skill among knitters and footers, as well as toppers and loopers among the new workers actually being hired. In

connection with this lack of really skilled workers, the question of

(a) Adequate training is admittedly in the forefront at this time, and

(b) The dependence of one process upon another makes frequent need of adjustment in groups within the plant;

(3) That there is an obvious lack of machinery for a definite and dependable hearing of questions of complaint and discussion of special cases as they arise.

THE SHORTAGE OF WOMEN WORKERS

In view of the present difficulty in securing enough women workers for the numerous branches of the textile industry located in Philadelphia, it does not seem to me that enough attention is being given by the hosiery industry to securing a knowledge of the sources of labor supply. In no plant in the Full-Fashioned Hosiery Association is there anyone especially concerned with the problem. Some mills hang a sign on the corner of the building, hoping in this way to attract the attention of skilled workers. Others depend on the foremen and superintendents to bring in their friends or to send scouts into the residence district in the hope of attracting someone—possibly some one employed by a competing plant. With no more adequate knowledge than this of the labor supply, scouts from Philadelphia textile plants at this time in Norwood, Walpole, and Connecticut Valley towns recruiting labor. This is bringing to the district a most unstable type of floating labor. The same recruiting by New England employers in this district has set up an unhealthy condition of labor shifting.

Persons applying at the office for work are a source of labor, indicative of general conditions—a source of labor possessing a knowledge of the firm and its reputation. If such applicants are stable at all, they are likely to continue longer in employment than persons residing

at a greater distance from the plant. For this reason there is need of more attention to the record and interview of these applicants. We are suggesting the use of an application card containing a more detailed statement than the name and address of a person interviewed in order that information enough may be secured to make the record one of value in filling the next vacancy. If the card is to be really valuable, it necessitates a careful interview by a person who realizes that an unfavorable impression of the firm's methods is being carried away by every applicant who feels that his or her call was an unwelcome interruption. **The record carefully filled out will provide a prospective file which in time of labor shortage gives the firm information concerning the experience and type of persons seeking employment.** In time, the care in interviewing and the reputation for courtesy and for actual use of an application on file will be appreciated by residents in the hosiery vicinity.

The whole value of these interviews will be lost if blanks are carelessly filled, or if applicants are kept waiting for long periods for an interview. The record provides for a statement of former experience and permits the applicant's making known a preference for certain types and gauges of machines. **We are thus anticipating the setting up of a considerably more detailed statement than is recorded at present by any firm in the Association.** Besides, we would anticipate making a record for every applicant who comes to the plant, whether or not the person who talks with him considers him fit for the work. Such a record is not being kept, though some plants insist that they are now taking the names and addresses. In one of these plants, while our representative waited for an interview, five persons applied for work. They were disposed of by a bookkeeper, who gave the impression of being interrupted in her work, and said "nothing today," without any consultation with them or with foremen in the plant. Later, the superintendent of that very plant told us that no person ever applied to

them for work whose name and address were not carefully taken. The value of setting up machinery for securing applications is lost if it is indifferently attended to.

MORE DIRECT METHODS OF SECURING A KNOWLEDGE OF LABOR SUPPLY

More direct methods of getting before the women in the area the lack of workers are needed immediately. An attractive poster in the local grocery store and a visit of a labor policy person to agencies in the area would do more to reach unemployed people than the present system of signs on the building. In an industry that trains a large number of young boys and girls as you are doing more direct acquaintance with public school teachers at continuation schools is desirable. The impression held of your mills by people outside the industry and the satisfaction of your employes will determine the ability of your plants to secure friends of present workers. In case of a real labor shortage a survey of the area will demonstrate the need of recruiting in more obvious ways.

THE INITIAL WAGE AS A FACTOR IN SECURING EMPLOYES

In connection with shortage of applicants, the initial wage paid in the industry is important. Such a wage is a measure that determines the education and class of workers that the industry will secure. One or two firms are demoralizing the situation by shifting methods of payment. With regard to initial wages one of these firms said, "We pay learners \$6 if they are satisfied. If they are not satisfied, we give them \$7 or \$8, or what they want to satisfy them." The superintendent confessed that on the day of our visit he had hired two girls at \$12 to do exactly the same work that he had formerly hired girls to do at \$6. It is easy to see that the learner at \$6 would not stay long after she discovered that later applicants, with exactly the same experience and qualifications on identical work, were paid \$12.

no other reason than to "satisfy them." The initial wage is one of utmost importance and should not be juggled in this way. Girls under 16 years are worth less than girls over 16 years because of the necessity for school certificates, the local requirements of school attendance, and inelastic working hours. For social as well as economic reasons, a lower rate should be paid young persons. Tentatively and without any claim that the amount is either right or significant, let us suggest an initial wage of \$8 for girls under 16 and \$10 for girls over 16 during the early weeks when they are actually learning the work. This would be a lower wage than is now being paid by one of the independent hosiery mills (namely, the Thomas E. Brown Hosiery Company), which is hiring no person for less than \$10.

The initial rate thus determined upon must be adjusted only after it has been tried out long enough to become fixed in the area and will be understood as a standard wage. During the period of trial, it must not be given up even if the continuance of it means that people refuse the job. Put your emphasis on promotion after the work is learned and watch new workers closely enough to actually promote them as soon as they become at all proficient. No flat statement or snap judgment on the amount of this initial wage is worth while. It is only after comparison with what similar work is being paid, and after a fair trial of a standard rate for some time, that any initial wage can be determined upon. The one thing that is certain is that the present wage policy is not only unjustifiable but demoralizing to the industry. It is also true that the present policy of paying the same wage to young girls and women is socially and economically unsound.

The question of a basis for the determination of the amount of this initial rate will be considered again in this report in connection with training. In a summary of the question of sources of labor supply we have thus far stressed two factors:

(1) The need of the accumulation of detailed records and first-hand information of labor sources, and

(2) The application of a definite initial wage policy continued over a period long enough to be conclusive, and modified only after the accumulation of reliable facts. When the policy is changed, as it must be sooner or later because of the ever-changing factors influencing an industry, let the change be on information accumulated, not on a general impression of the touchiness of labor.

SHIFTING OF WORKERS FROM PLANT TO PLANT

As important as the question of securing employes, is the shifting of workers from plant to plant. All firms complain of young helpers trying to better themselves by shifting to another shop after a short time and then claiming to be experienced. Among the women workers there is much shifting from process to process, as well as from plant to plant. Inevitably there will be more or less preference for higher grade work as a person becomes proficient on coarser gauges. The lack of a worked out promotion system within individual plants has led the workers to regard the entire industry as a field for advancement, and therefore they have worked out a promotion system of their own by shifting from plant to plant. An unfortunate consequence of this shifting in the hose industry is that employes set out to better themselves by claiming skill when they have worked on a process only a few weeks. During this period of acquiring skill there is a definite loss in production.

During the war many semi-trained knitters were employed on legging and footing processes, the result of which was

(1) Added wear and tear on machines owing to improper care and manipulation, and

(2) Reduction of both quality and quantity of output

Some of the better knitters are returning and find themselves at present incapable of producing the former amount because of the deterioration of their machines and the temporary loss of their skill. Many of these are yet young men, and, after undergoing such complete changes of environment during the war period, have, after a brief trial, sought other trades. Quite a number have gone into the metal trades.

Among the women workers there is a certain transference of skill in the case of processes of topping and looping. Workers often change from topping to looping when their work with the footers becomes unpleasant. **The toppers, who hold the most strategic position among women workers in the mill,** often move to another mill or get back on looping, where they have the strain of constant attention to close work without the variation of changing their positions or resting their eyes. The preference for looping is not due to an easier kind of work, as all workers insist that the position and rotary movement of the machines are a constant strain. Proper incentives are lacking to make the work of toppers comparative to its strategic importance.

Seamers often shift from seaming in other knitting and textile mills to seaming in the hosiery mills. In making the shift they pass as skilled seamers. The present method of hiring disregards the fact, or is unaware of the fact, that the position of holding the two types of work is quite different. The hosiery demands holding the work in a vertical position; the knitting, a horizontal and side movement. The readjustment in changing from one to the other takes a considerable time, a fact which both industries seem to be disregarding in hiring. Ultimately, with more attention to training, it will be possible to work out definite lines of promotion within the industry, which definite lines will make more incentive for workers to remain within an individual plant. **Immediately, within each mill, much more encouragement should be given to the transfer of workers according to their**

ability. It is in connection with the expediency of encouraging transfer on the basis of experience and ability that we are advising the compilation of records for each employe and are suggesting a qualification card which provides for complete information concerning each person in the employ. This provides a record of length of service, earnings, production, and attendance and furnishes a basis for promoting employes.

TRAINING

The industry is plainly faced with the necessity of new methods of training and instruction. Incidentally, such instruction will make for greater certainty of knowledge of skill. In considering training, several methods are possible. The plants can, by some unified action, adopt a central training school; place at the head of that school a person with vision and knowledge of centralized training schools in other types of industry; and welcome an instructor in every one of the plants, in order that he may know the special requirements and conditions. Regulations for skilled employes would have to be turned over to such an instructor with a guarantee that those who have become skilled under his training would be employed. Such a centralized training school is now being anticipated by the fourteen plants in the Rochester clothing district. In working out details, it is difficult to make the complete transition to this centralized training plan from the inattention now given to training. An intermediate step was adopted in Rochester, which intermediate step, more than likely, will mean that for a considerable time each plant will go its own way in the matter of instruction.

The second way is to pay more attention to methods of instruction and follow-up of learners in plants. The boy helpers are at present dependent on what they can pick up by continuously being around a skilled person. An improvement over the Philadelphia system of teaching is in use in the Berkshire Knitting

Mills. No learners are taught on the footing process, since footing is regarded as a real promotion for experienced leggers. This plant, some time ago, realized the need of forethought in the matter of training and made it worth the knitters' while to take some interest in teaching, since the learner was given to a knitter who already had at work with him a fairly skilled helper. The green boy learner is put on a time rate and continues at that time rate until he is skilled enough to secure a piece rate based on his help in production. No employe is continued more than six months on time rate only. It is taken for granted that if he is incapable of making enough progress in that time, he is incapable of becoming a knitter. In this way, the knitter is not detained in his production because of a new learner and the boy assimilates a great deal from imitation of the other helper. The firm assumes the responsibility of pay for all helpers. This system does not guarantee that the boy will acquire mechanical knowledge of the machine—a knowledge such as European knitters brought to the Philadelphia trade. Neither does it provide, except indirectly, for an increased wage as a helper becomes more efficient.

THREE PLANS OF PAYMENT OF HELPER

Three plans of payment of the helper are being tried out in various areas at this time:

(1) The journeyman assumes complete payment of the boy learner. The management then may, or may not, interest itself in what the boy learns or how he is taught. Among the journeymen there will be a generally accepted schedule of wages for such learners. The actual amounts paid, however, to boys who have completed an equal number of weeks' training will differ considerably according to the journeymen who employ them. In a time of shortage, or special opportunities for boy workers, the top rate will tend to become the going rate, and there will always be a tendency to tip boys and bid for their assistance.

(2) The second method of payment means a complete break with the above, in that the management assumes the entire responsibility for the payment of helpers. This is the practice at Fort Wayne and Milwaukee, where the plants pay the helpers entirely. This plan has many advantages, and of course does away with such difficulties as arise in case of a payment for workmen's compensation, in that there is no need of a discussion as to the amount to be deducted from the pay of the journeyman for the helper's wage.

(3) The Philadelphia scheme of joint payment is intended to overcome the tendency for the knitter to lose all authority over the helper. It is questionable whether it is fair to the company or the helper for the knitter to have this authority. One difficulty of payment by the knitter is that the helper loses all allegiance to the company, and the industry is being recruited by men who feel no interest in what the plant provides for them, and do not think in terms of the plant at all. **The whole skill of the trade is being built up on a personality basis not on an industrial basis.**

From the standpoint of the helper, the number of boys that have to be employed on this basis indicates that the form of contract labor is no more acceptable to him than it is to the company. **In the case of a footer, it is the personality which governs a group of four workers, three of whom he pays some wage for their help.** Should the footer leave the plant, it is more than likely that others of the group who have worked satisfactorily with him will follow him to a new place. Each aisle of machines thus becomes more or less an independent unit with wages controlled by the speed and skill of the knitter. The present effort on the company's part to secure the interest of helpers in production, by paying a part of the wage on the basis of dozens produced, is hopeful. No industry can afford to continue the present tipping system. The complexity of wage payment

Philadelphia is due in part to the failure of the industry to undertake adequate training. If the one man to one machine demand is not found upon careful study to be an exaggerated and transition request, then the industry is brought face to face with the necessity of a new system of training.

QUARTERLY MOVES

In any case, more attention must be given to the new persons entering the trade. Especially is a monthly follow-up system for boys urgently necessary. Regular "quarterly moves" of boys among different knitters would break down the present personality basis of training. A graduated rate, increased every quarter for satisfactory workers, would serve as an encouragement for boys. If those three months' periods were regularly scheduled, so that in the first week in February, in the first week in May, in the first week in August, and in the first week in November there would be a meeting of all persons under whom the boys were working to discuss the character of their work and to decide upon the rate of their progress, the hit-and-miss method of training without any inquiry into progress would be done away with, and some rivalry would be secured in passing on knowledge of the trade to the boys. Whether "quarterly moves" are feasible or not, certainly the transfer of a boy, who twice failed in the judgment of the knitter and foreman to qualify for the increased rate, would be worth insisting upon as the only fair way to treat the boy. **In this connection, then, we are suggesting for the training of boys that an actual quarterly consideration of progress and a record of progress be immediately considered.** The attitude of the skilled workers must determine whether a greater innovation can be made and actual shifting undertaken. Some system of transfer among knitters should be ultimately considered, even if it is not immediately feasible.

GRADING WOMEN'S WORK

In the case of the women workers, the problem is not so much one of a change in method of training as that of a grading of different kinds of work. At present, there is a greater turnover among girl toppers than in any other occupation in the plant. (In one mill where extra bars are supplied this is not true.) This turnover indicates some necessity for making the work more attractive. A step in this direction has been made by the guarantee of a \$16.50 rate. A second step is the effort of a few mills to give other work to toppers, in case a footer is absent or his machine out of order. A study of payrolls, however, indicates that seamers and loopers are making somewhat higher actual earnings than are girl toppers, despite the fact that rates are fairly similar.

As already stated, the toppers' work is strategically the most important work for women in the plant. On it depends the satisfaction of footers, as well as that of other workers on later processes, because of their dependence on the work of the toppers. The initial wage paid the toppers is important. Emphasis was laid in the early part of the report on the importance of making this initial wage definite, not juggling it in an effort to "satisfy." During the period of learning, the wages of the topper should be increased as soon as she has become able to do a certain number of bars, and again increased gradually as the number of bars increases until she is able to do ten bars, when she can be put on a piece rate. In thus graduating the work according to the number of bars a girl can do in each run of the machine, it is essential that the piece rate insure a higher wage than was assured on time rate. This requires a sufficient margin between the time rate and piece rate so that the operator will not discover when transferred to piece work that the interruptions are such as to cause an actual reduction of earnings. When the topper goes on piece rate and is able to assist with the loading, her work is of more

value, and an inducement should be created to interest her in the group organization. At present, the knitter is bidding for this co-operation from the girl by giving a weekly tip for assistance. Firms are establishing a bad precedent by stating that girls may or may not load machines according to preference. A girl should be hired with a clear understanding of the duties of the job once she has been given an opportunity to learn it thoroughly. That understanding should be definite with regard to the work required. **No good hiring can be done for this operation without first deciding whether the girl is or is not to assist with the loading.** A person who for any reason minded the walking back and forth and frequent jumping up should be hired for seaming, looping, or mending, rather than topping.

The need of having toppers who co-operate with the knitter indicates that topping is work to which girls in the plant could be promoted. Such promotions are always more desirable than hiring a new person from the outside or having the knitter bring in some friend to learn the work. This suggestion of promotion from within should be considered in the light of later statements about wages. To make any work one of the top operations in a system of promotion requires that average earnings on that work must be higher than the work from which promotion was made. If the seaming and looping actually provide a higher and a more regular rate of earnings, workers will not regard a change as a promotion, no matter how desirable the change seems to the management.

It is useless to expect regular attendance upon the part of the workers unless provision for regularity of employment is made and work guaranteed. The pressure for a higher rate of wages will continue so long as certain workers are sent home because others in the group are absent. The workers will constantly endeavor to secure a rate sufficiently high to guarantee weekly earnings that will be satisfactory in spite of such enforced absence.

EQUIPMENT AND PROCESSES

From all workers there is complaint of poorly repaired machines and variation in the quality of raw material. In part this complaint is due to the fact that the man is responsible for his machine, that he does a certain amount of repairing of the machine, and that there is a good deal of preference of workers for certain types of machine. In some cases more modern machines would actually increase output and make work more productive. We fully appreciate that for the present the continued use of some older model of machine is due to actual inability to procure the new one. We fully realize that it is a position which must be accepted for a very considerable time. At this time all processes in the hosiery industry are in a stage of transition, and a definite policy is essential. With three types of knitting machines in the same mill, there will always be more or less desire to shift from one model to the other. In many cases a knitter will not work except on a certain type of machine. The difficulties of such a situation must be accepted for the present, owing to inability to fill orders for new machines. **Even with this situation, it is desirable that a record be kept over a long period of time to find out whether labor turnover is really greater on one kind of machine than on another, or whether a certain machine in a shop has more breakdowns than another.** In the seamless hosiery plants, where three makes of knitting machines are used, records have been accumulated over the last two years. The record indicates that it would be economy for the firm to replace one model altogether. Experience at several scientific management hosiery plants on seaming and looping seems to favor the equipment of a shop with one model only. If an improved machine is adopted, it is considered economy to install the new model everywhere. It would be both unwise and impractical to over-emphasize this factor at a time when new machines cannot be procured. It is, however, equally unwise to assume that ultimately such fact

are not discussed among the workers. Particularly in a piece-work industry, a firm gets the reputation for orderliness and well-kept machines—which reputation is as distinctly a business asset as is a reputation for prompt payment, or a reputation for good quality of product among one's customers. With two or three types of seaming machines in one mill is it wise to discourage new workers by putting them on poorer machines? Might it not be that all persons have some fear in starting to work on a power machine and that a longer time is taken to learn if this machine is poor and discouraging?

NEED OF STANDARDIZATION

In thus pointing out specific details there is no intention of distorting the importance of these items. It is merely intended to emphasize the need of more study of standardization of processes, as well as delays in routing of work. From other sources the question of wages will be duly emphasized, but the whole problem of wages must be considered in relation to the question of production and type of machinery. No statement of a rate of wages as high or low is indicative of anything in the hosiery industry as laid out at present. The possibility of high earnings worked out on a schedule that recognizes the fact that earnings cannot be regular is cause for greater friction than a low wage rate. Much of the shifting from shop to shop is due to the difficulty in the repair of machines or to slight preference in the type which managers are almost disregarding. Loopers leave because their machines are not fitted with the trimming attachment and much time is taken in ravelling. In fact, in few shops in the Association is this attachment used; though many mills are now using it, and many skilled loopers refuse to accept work where they must ravel by hand. This trimming attachment relieves the loopers of a very tiring hand and arm motion above their machine, in addition to adding to daily output. If firms are to standardize the rate paid per dozen, it is certain that

some study must be given the standardization of working conditions and processes. Otherwise, the shift will continue to be from the plant with the less modern type of organization. Further, while work is so arranged that the wages of one worker are dependent upon the tipping of another, there is no hope of lack of friction between workers. It is a radical proposal for a trade where custom and production are strongly determinative, but **we are convinced that until the managements really undertake the payment of all persons in their employ, they are sure to have labor friction.**

In summary, then, our conclusion would be that the company should assume the responsibility for the training and payment of learners; that it should define the duties of its employes, instead of as at present having a knitter control training, wages, and work life for a group; that the company should undertake the responsibility not only of transferring toppers upon request, but also show a willingness to transfer, by eliminating the present diversity of persons discharging workers. In many cases toppers are discharged by the knitters and are lost to the mill without any consultation with a centralized employment office, and even without the knowledge of the foremen or superintendents. In a time of labor shortage, such a situation is disastrous. This is not true merely in the mills within this Association. Exactly such a situation came up in one of the independent mills while our representative went through their plant, the knitter having actually discharged a girl without a foreman, or superintendent, or any one knowing about it until the request came from the girl for her pay. Such an incident could not occur with a definite labor policy in operation.

A worked-out definite labor policy would of course do more than centralize the power of dismissal and discharge. **It would define the duties of the employment office as well as the duties of superintendent, foremen and assistants and give them a basis upon which to make decisions within the field of their responsibilities.**

PRESENT DIFFICULTIES CONFRONTING EXECUTIVES

As the industry is now organized, superintendents are constantly required to make decisions without any consciously formulated labor policy to govern them. They must attempt to establish systems for keeping track of raw materials, work in process, and finished stock; methods for routing work; policies regarding machine repair and for adjustment of grievances; and, at the same time, decide innumerable other matters with no basis for forming a decision other than their own judgment made on the spur of the moment. The result is frequently that a practice today does not coincide with decisions previously made, and that the methods in one mill do not conform to those in other mills of the Association.

With this impossible task on their hands it is natural that the superintendents should leave much undone, and that many of these questions should be passed on to the foremen and forewomen for solution.

Many superintendents, foremen, and forewomen have grown up in the mill and have not the experience or training to work out for themselves policies and systems which they have not had the opportunity to learn or see elsewhere.

The diversity of problems that the forewomen face because of the lack of a definite policy makes the successful administration of their work most difficult. For instance, at present forewomen complain of workers exchanging tickets and miscounting stock, while to them comes the continual complaint of not having caught inaccuracies. Some of the irregularities permitted in keeping track of stock produced permits misunderstandings and disagreements to arise between the workers and the company, which, in their turn, create new difficulties for the forewomen. These women supervisors should be able to give time to the understanding of the worker's difficulties, rather than always having to go to them as a disciplinarian, accusing them of bad work or inaccuracies. The

whole point of view of the women closest to supervision should be to understand the worker's difficulties and anticipate mistakes rather than take care of them after they occur. Especially to women, these conditions make the position of supervisor one that they are not anxious to fill. Meanwhile, more and abler supervisors for women are needed. Wherever women are employed, there should be women responsible for supervision. **A definite labor policy worked out so as to be applicable and easily understood by those responsible for supervision in this industry should do much to improve the effectiveness of the supervision, and, at the same time, add to the attractiveness of the work, so that a higher grade of personnel would desire these positions.**

Such a labor policy, if it is to be effected, must be worked out in consultation with the employes and the management.

THE ATTITUDE OF LABOR ORGANIZATIONS AND THE WORKING OF UNION COMMITTEES

In working out a definite labor policy under present conditions more use should be made of union committees. Plants differ very greatly in their method of dealing with the unions. Some are accepting the strength of the union for the present but wait for a period of depression in the industry to solve their labor difficulties, in this way regarding the present as a by-product of the war sure to disappear. Others have several union committees; namely, one for the knitters and one for the boarders with separate meetings, the committees being used only for the enforcement of union rules in cases of dissatisfaction. Even if you do not create any other organization than exists at present, it would be possible to make more use of these union committees. For instance, on the recent union demand of one-man-to-one-machine, would it not have been feasible to ask the union committee to appoint their own union representatives in the plants where two machines were used to study the problem with the

management? The experiment could actually be continued over a fairly long period, keeping account of earnings, number of break-downs, amount of poor work, repairs, cost of oil and needles used, and so forth. Both sides would thus have a record and make a report, getting the advantage of a willingness to experiment on different materials and with a number of different men. Since this is a problem that must ultimately be decided, it would seem better to decide it by experiment rather than by a policy of inertia. To be sure the experiment would be useless unless each side were willing to be persuaded. In the same way, the matter of up-keep of machines might be tried out. If the result of such a study pointed to an innovation in the industry, there would be much more hope of the workers accepting the experiment if they had participated in the plan. **One can no longer come to employes with a wholly worked-out, detailed plan and expect its acceptance. Workers will reject it almost invariably.** Any plan which will meet the ever-varying requirements of an industry must ultimately be accepted by both parties, and, if it is a plan on some problem which must ultimately be decided in some way, it would seem as well to have it worked out in one's own shop, as to assume that a time would come when a one-party plan would prevail.

VALUE OF REGULAR JOINT DISCUSSIONS

We believe that one of the most immediate needs of the hosiery industry in particular, and of the textile industry in general, is the setting up of adequate machinery to establish more open dealings between the workers and management. In this respect, the size of the plants and the contact of the actual owners with the shop are most fortunate. A spirit of confidence and fair dealing can be obtained by encouraging discussion together, with each side being sincerely ready to be persuaded. Such freedom and confidence cannot be secured by hurried machinery brought together for an emergency. The way

to meet a trying question is not by frantic appeals made to men who, up to the time of the crisis, were excluded from discussion with each other. There will be ups and downs both in marketing and production in the hosiery as in other industries; there will be matters of misunderstanding; there will be sincere differences of opinion on questions of import between management and men. **When the whole spirit of the age cries out for new methods and policies, it is useless to go on calling the present situation a crisis and hope for normal times.** The experience for improving methods is in your own mills, the initiative for change of policy must come from your own executives. What is needed is some impelling way of getting employes interested, and interested not merely in times of upheaval. Have some regular meetings with employes' committees scheduled for discussion. Provide for extra meetings in case of anything special; then it will be nothing unusual for this committee to work upon a special grievance. Welcome on this committee representatives from every group of thought in the plant. Most of all, be sure the "radicals" need representation. If their hold upon the others is because they are the best talkers, then they are needed on the committee. Besides, this will give them a chance to take back to their supporters the reasons for committee decisions—decisions which, without representation, the radicals would be sure had been "put over on them" by the others.

EMPLOYES' COMMITTEES

The best committee is one elected by the employes with representation from every group in the mill, allowing for a number of extra members from every group in the mill at large, in order that persons of general popularity, or groups very strategically dominant in ability or skill, may have extra representation. In most cases it is not advisable for such a committee to be elected at once for general discussion. In each shop a different reason for starting such a committee may exist. In a plant with

three or four mills it might be well to begin with a foreman's committee, in order to be sure to secure the active interest of the foremen from units now more or less distinct, but extending discussion to other employes. In other cases, committees could be interested in planning and advising upon the question of how to train new learners and the working out of a plan for grading skill and learning. Having gotten a committee for one very special definite problem, it is more likely to continue its work successfully in ramifying channels. Only be sure, unless the industry is ready to undertake discussion in a manner to insure mutual confidence, it will be worse with such an organization than without.

IMPORTANCE OF NEGLECTED DETAILS

There is no lack of appreciation of the difficulty of the larger problem of labor unrest on the part of the management. **There does seem to be a lack of appreciation of the effect of smaller details in aggravating this situation.** For instance, the tone of a notice can be friendly as easily as domineering. Besides, one will not secure an unusual cleanliness by merely putting up a notice asking every one to keep clean. The way to get every one to keep clean is to say nothing about it, but arrange work in as orderly a manner as possible, provide for regular handling of stock, and continue to paint and clean up. It will take some time to have every one enlisted in the campaign, but ultimately it will have its effect. The way to get people to use a room is not to put up a sign "feel free to use this room, it cost a lot of money," but to provide a really restful room that invites one. Perhaps a glaring white room with straight benches, despite its immaculateness, is not the most inviting place in which to relax. Perhaps no attempt at a rest room is better than an attempt which offends the people whom it was intended to serve.

Matters which seem minor, regarded by themselves, assume importance if considered a part of the factors

making for the attractiveness of an industry. In the case of winding, the only work in the plant where a considerable amount of standing is required from women, seats could be provided. There are times when machines are running smoothly when workers might sit down. In providing seats it is important to encourage their use.

The first definite step in stabilizing the hosiery industry involves greater attention to procuring and maintaining labor. This involves attention to the fitness of applicants to do work in an industry where the eye strain is very considerable. As soon as certain care is adopted by the management in selection, a standard can be set up for which persons hired must qualify. The industry is attractive enough from the point of view of other physical factors to emphasize in its hiring the need of good eyesight. The need for such a standard emphasizes the fact that the industry cannot afford to neglect the arrangement of machines so as to have the least strain on the eyes.

A labor policy worked out with the employes will bring out, during the numerous discussions of such a policy, many factors regarding present conditions of work, such as stools for winders, eye strain, objections to certain types of machines, quality of material, etc. In spite of the fact that such comments seem to be irrelevant to a discussion of the broad policies under consideration, none of them should be ignored. The broad policies must be so constructed as to provide for the careful consideration of any factors that so intimately affect the every-day working life of the individuals. It is only by building up such a policy that either the employes or the supervisors are going to feel the effect of the adjustment to new conditions in a way that will lead them to respond with an awakened intelligence and enthusiasm.

Whether the managers wish it or not, **there will be a new labor policy** in the industry. The only question that they face today is whether they shall step in and help work out that policy, attempting to shape it justly to both

parties or whether they shall stand back while the future labor standards of the industry are being determined and wait for normal times.

Any effort to work out a labor policy will involve a plan for training and promotion. We submit an outline for such a plan which may furnish a basis for discussion and at least indicate the need for giving the whole question the consideration that we believe it requires at this time. We have based this sample plan on training systems in actual operation in the industry at present. We realize that just as it is the plan would not meet your needs. The only reason for including it is that it may suggest to you the importance of studying your own situation and of attempting to work out with your employes some plan that may ultimately contribute to a solution of your training and promotion problems.

SAMPLE PROMOTION AND TRAINING PLAN FOR BOYS

When a boy first enters the plant he should begin work as a turner, turning and sorting the stockings as they come from the dye house. From the first he should understand that the industry offers him the opportunity for learning a good trade through a definite line of promotion if he qualifies. With this in view and with the definite purpose of giving him the opportunity of learning how to transfer stitches on bars and to realize the importance of the exactness that this work requires in later processes, an apprenticeship as a topper would be valuable.

When he has learned topping reasonably well, he would be ready to begin work on the knitting machines as a helper to a legger. At the end of three months he should be transferred to a different legger. This transferring should be repeated every quarter until he has become skilled enough to begin actual legging alone. Beginning with the coarsest gauges, there is a gradual promotion to the highest gauge where he can do the finest grade of work on the best material.

Then, because footing requires a somewhat quicker motion on the part of the worker than legging and because the earnings of a footer as compared with those of a legger are on the average more, it would seem that only the best and most skilled leggers should be put on this process.

In case the present method of having the knitters fix their machines is continued, the opportunity of becoming an expert fixer for a department should be given only to the most experienced knitters, who logically according to this scheme are the footers who have good mechanical ability. This necessitates that the job of fixer offer opportunities of increased earnings commensurate with its importance in such a promotion plan.

SAMPLE PLAN FOR GIRLS

For the younger girls a broader range of opportunities for learning processes should be offered than that given to older workers beginning in the industry. These young workers could well begin with stamping, since the work is simple and quickly learned. After a time they could do boxing and then pairing and folding, which requires a greater skill. With this much experience, the transition to mending and then examining should follow. By this time the girls should be well acquainted with the intricacies of a stocking, should have knowledge of some of the causes for bad work, and should be ready to begin on the more skilled operations, which require a longer period of learning. The most easily and quickly learned of these is seaming. Here the workers would have the opportunity of becoming accustomed to power machines and the transition to work on looping machines would be made slightly easier. The relative importance of the period of time required to learn these processes should be considered in grading them up in a line of promotion. Since looping requires closer attention to work and a much longer time to learn than seaming, some appreciation of this fact should be shown in making the job more

attractive in opportunities offered. In case a girl prefers topping to looping she might be promoted to topping from seaming, for this work again requires more skill and is vastly more important in its relation to other processes. The forewomen should be selected from among the topers and loopers, when they seem to have the ability and necessary characteristics required for such supervision. From among the successful forewomen it might be possible to advance to the position of supervisor as a top job when such openings occurred.

The older women coming into the plants should be given some field of advancement. Beginning with stamping, an opportunity to learn boxing, pairing and folding, in the order mentioned, should follow. After a time spent on these operations, have them learn mending. To the best menders, according to the choice of the individual, a chance to promote themselves either to winding or examining and finished menders, could be given.

Thus far we have considered the relations between the individual managements and their individual employes, and the need for a definite labor policy from this standpoint.

In Part II we will consider the relation between the Association and affiliated groups of employes.

PART II
**RELATIONS BETWEEN THE FULL FASHIONED
HOSIERY MANUFACTURERS' ASSOCIATION
AND AFFILIATED GROUPS OF EMPLOYES**

I. Introduction

A. The Investigation

(1) Under this heading we wish to discuss the attitude of the people employed in the mills of the Full Fashioned Hosiery Manufacturers' Association of Philadelphia toward their industrial relations and the manner in which that attitude is influenced by:

- (a) The community in which they live.
- (b) The mills in which they work.
- (c) The relations with one another, including especially labor organizations.

B. Point of View in Making the Investigation

In gathering the information in this report and in classifying it, the point of view has been that, not only should actual facts be considered, but also that opinions, whether justifiable or not, should be regarded as pertinent factors in shaping the attitude of the employes toward their industrial relations. Various opinions concerning the relation of increases in earnings to the cost of living, or the relations of earnings to the selling price of products, are noted in this report as facts of opinion, whether or not the particular opinion is actually justifiable. The opinion itself is a fact that influences industrial relations. The existence of an ill-founded opinion may be the source of serious yet needless complications. Opinions and judgments contradicting each other are included as throwing light upon the attitude of people toward their industrial relations.

C. Sources of Information

The information in this report has been collected from four sources:

- (1) From interviews and conversations with the working people themselves and labor leaders. Such interviews

have not been confined to people or labor leaders of the full-fashioned hosiery industry. We have taken particular pains to go outside of this immediate circle for the purpose of checking and verifying opinions and statements of fact.

(2) Conversations with managers and superintendents, and facts observed in visits to the mills.

(3) The above material has been still further checked and supplemented by interviews with selected individuals who by training and experience are qualified to speak with knowledge and authority upon the questions involved in this investigation. In this third class of interviews we have attempted to get the point of view and judgment of people not directly connected with either the mills or the employes. While much of this information has been of a very general character, some of it has proved to be very valuable.

(4) The fourth source of information has been published documents, unpublished results of investigations, letters and other reports.

The report is based as far as possible upon the conclusions to which the information secured points. Where the opinion or judgment of the investigator appears, the effort has been made to distinguish between his personal opinions and the report of the opinions of others.

II. Wages and Living Conditions

A. Trade Consciousness

One of the most important facts to be considered in properly judging the present attitude of the people in the full-fashioned hosiery industry is their trade consciousness. The trade consciousness of this group is quite clearly and definitely defined.

"The full-fashioned hosiery workers are the aristocrats of the textile trade," is the direct statement of one man.

"In 1914 the full-fashioned hosiery trade was the best paid trade in the textile industry," is the statement of another worker.

These two statements express quite clearly and definitely what seems to be the general attitude of the people in this industry toward the trade. While this trade consciousness centers about the knitters, the fact remains that the entire working force shares in this attitude.

Three important factors have contributed in the past to the development of this trade consciousness:

The earnings of the knitters in the full-fashioned hosiery industry have been comparatively large.

The kind and quality of the work and the skill demanded, as compared with other textile operations, are of a high order.

The racial element is a very strong factor at times.

(1) Rates and Earnings

(a) Rates and Earnings Prior to 1914

The statement referred to above that in 1914 the full-fashioned hosiery trade was the best paid trade in the textile industry is borne out by such facts as are available for comparison. Bulletin No. 177 of the United States Department of Labor, Bureau of Statistics, presents the result of an investigation into the wages and hours of labor in the hosiery and the underwear industry from 1907 to 1914. In that bulletin, on page 6, is given a table showing among other items the average full-time weekly earnings for the year 1914 in the various operations of the knit-goods industry. These figures are based upon the returns from nine mills employing 507 knitters working an average full-time hours per week of 54.8. The investigation shows that the average full-time weekly earnings of knitters in the full-fashioned hosiery industry for the year 1914 was \$22.31. This figure for average full-time weekly earnings of knitters in the mills investigated is about 68 per cent. higher than the average full-time weekly earnings of any other operation in the knit-goods industry. From a similar report, Bulletin No. 190 covering the cotton, woolen, and silk industries, it appears that in 1914 in the entire textile industry only two opera-

tions showed a larger average full-time weekly earnings than the \$22.31 of the full-fashioned hosiery knitters. In the cotton industry, the printers showed average full-time weekly earnings of \$27.01 for a 53 hour week, while the engravers in the same industry showed \$28.57 for a 55.5 hour week.

So far, then, as these figures go, they indicate that the claim of the full-fashioned hosiery workers to have been the best paid trade in 1914 in the textile industry is well supported. It does not appear that the other operations in the full-fashioned hosiery industry enjoyed a similar advantage in weekly earnings.

But the fact is to be noted that while the high wages may have been confined to the knitters of this industry, employes on other operations share in the trade consciousness which this economic advantage has been a factor in developing.

In regard to conditions in Pennsylvania and in Philadelphia itself, it should be noted that the Pennsylvania knitters, as compared with the knitters in the full-fashioned hosiery mills in other parts of the country, had a slight advantage according to Bulletin No. 177. The table on page 86 compares the average full-time weekly earnings of mills in different parts of the country. Two mills in Indiana, employing 234 knitters on the basis of 55 hours per week, showed an average full-time weekly earnings of \$21.67 in 1914. Three establishments in "other states," employing 44 knitters on the basis of a 55 hour week, showed average full-time weekly earnings of \$21.15. In Pennsylvania, four establishments with 229 knitters on a basis of 54.6 hours per week showed weekly earnings of \$23.19. These figures indicate that the claim among the workers in Philadelphia that they were the best paid trade in the textile industry in 1914 has valid support.

In short, prior to 1914, knitters, and, to a less extent, other employes in the full-fashioned hosiery industry, believed that, as measured by earnings, they were at the top

of the textile world. Such information as is available indicates that they were so regarded by other textile workers. Available statistics confirm the soundness of this belief.

(b) Rates and Earnings from 1914 to 1919

The opinion of the workers as to the status of their trade from the point of view of earnings as affected by changes in the industry and in the cost of living since 1914 has a very direct bearing upon their present attitude. There are two distinct opinions widely held among the employes:

(i) That the increases in rates and earnings since 1914 have not been sufficient to keep pace with the increasing cost of living and the reduction in hours of work;

(ii) That the increases in the full-fashioned hosiery industry have been less than the increases which have taken place in the other textile trades, with the result that the status of the full-fashioned hosiery workers in the textile labor world has been very materially changed. Instead of being at the top of the textile industry, so far as earnings are concerned, they are now, in their own opinion, about an average paid craft.

As bearing upon the effect of this relative loss of standing in the industrial world, it should be noted that several of the men interviewed have stated that they believe that the manufacturers have deliberately taken advantage of the fact that the full-fashioned hosiery was a well-paid industry and have delayed advances of rates of wages as long as the men working in the mills would tolerate such a delay. All the increases have come as the result of very urgent demands upon the part of the employes and, in some instances, only after the employes resorted to a strike. Both because they believe the increases have been less than in other textile operations and because they consider there was an unnecessary delay in granting them, the employes feel that they have suffered economically, and that they have sustained a distinct loss in their standing in the textile world.

(2) Trade Skill and Character of Work

(a) Trade Skill

A second factor in the trade consciousness of the full-fashioned hosiery workers is the very widely held opinion that this branch of the textile industry demands a very skilled worker. Not only do the knitters so regard their trade, but the boarders, toppers, loopers and seamers also share in a similar opinion concerning their particular operations. Undoubtedly the process of knitting does demand a very high order of skill. It is not quite clear that other operations in the industry are equally exacting. The important fact to note is that all employes share in this opinion that the full-fashioned hosiery industry calls for a very high grade of workmanship. The knitters hold that three years apprenticeship is required for training a person who has the natural ability to become a knitter. They also hold that men capable of becoming a first-class knitter in the full-fashioned hosiery industry are rare.

In regard to such operations as women perform, there has developed, in the absence of a systematic method of training, a habit of moving from mill to mill in the knit-goods industries until the full-fashioned hosiery mills are reached. This process of itinerant training indicates that employes outside of the full-fashioned trade look upon it as an unusually desirable occupation.

(b) Health Hazards

It is also held that the fine quality of the work done in the full-fashioned hosiery industry produces an unusual strain both upon the nervous system and eyesight of the workers. Some of the people interviewed have placed great emphasis on this point. One Philadelphia worker said that he has seen the eyesight of two knitters suddenly break down on the job. Statements have been made that the knitter reaches the high point of his productive ability somewhere between the ages of 30 and 35, and that many knitters are compelled, because of nervous

breakdown or eye strain, to leave the industry entirely. In support of this opinion, the secretary of the American Federation of Full Fashioned Hosiery Workers pointed out that his organization, which he claims includes most of the knitters in the full-fashioned hosiery industry in this country, offers a paid-up life membership to every member of the organization who attains the age of 60 years. His records show that in the entire country only two men in his organization have continued in this occupation long enough to be included on this list of paid-up life membership. He states that this fact is due to the exacting character of the industry and that other records of the union show that many men leave the industry while still young. The strain of the work, so far as both eyes and nerves are concerned, applies to many of the women workers as well as to the knitters. It should be noted here that in the Wayne Knitting Mill, of Fort Wayne, Ind., employes are examined by an eye specialist.

These two claims—first, the claim for the high grade of skill in the industry, and second, the claim of the exacting character of the work with its bearing upon health are very real facts in the trade consciousness of the full-fashioned hosiery workers. Both facts are urged as justification for the high rates and earnings which they have enjoyed in the past and demand for the future.

(3) Racial Feelings

A third factor which has been very influential in developing a trade consciousness in this industry, in Philadelphia, has been the racial feeling. Prior to 1914, the employes in the full-fashioned hosiery mills, in Philadelphia, were predominantly German or Polish. In some mills it is stated Germans were exclusively employed. The tendency to keep the full-fashioned hosiery industry confined to these racial sources in recruiting the workers was very strong. During the period from 1914 to the present, the demands of the war and the opportunities for high earnings in the metal trade have drawn many of

the workers away from the full-fashioned hosiery industry. At the same time, immigration as a source of recruiting the working force has been cut off. The result of these changes has been the breaking down of the strong racial cleavages in the industry. The fact that full-fashioned hosiery machines are being produced in this country probably involves a very fundamental change in the influence of racial feelings upon trade consciousness.

B. Living Conditions

For two reasons it has been difficult to get definite information concerning the general living conditions of the full-fashioned hosiery workers.

(1) Cost of Living

Their earnings have been sufficiently high in the past to permit them considerable freedom in choosing the locality in which they lived. As a result, there is no particular neighborhood in which they have centered. The tendency seems to have been to select a neighborhood where the living conditions best suited them. Many of the male workers owned their homes, and those who rented occupied a grade of house which in 1914 rented for from \$18 to \$22. In fact, all the information available indicates that this was a group of people with quite a range of intellectual and social interests. On the whole they seem to be conscious of having enjoyed, prior to 1914, a very wholesome standard of living quite distinct from the average textile worker.

At the present time the complaint is made with strong feeling back of it, and often with a tinge of bitterness, **that they are actually losing ground in their efforts to maintain the standard of living to which they have been accustomed.** They insist that the cost of living has increased to such an extent that their earnings no longer enable them to hold to the standard of 1914.

The intensity of this feeling is due in part to the fact that earnings have not increased as the cost of living has

increased, and also to the fact that in some of the mills no increases were made in rates between 1914 and July of 1918. The statement was made by one union official that, in two shops, at least, the only substantial increases received between 1914 and September 1, 1919, were as follows: a 15 per cent. increase in July, 1918, and a 10 per cent. increase in April, 1919.

While no effort has been made to investigate the increased cost of living in the particular group of full-fashioned hosiery workers, all the information bearing upon this point confirms the statements of the employes concerning the increased cost of living. The National Industrial Conference Board, 15 Beacon Street, Boston, Mass., after a very wide survey of changes in the cost of living between July, 1914, and July, 1919, states that **the average cost of items entering into the family budget for American wage earners had increased 71 per cent. in July, 1919, over 1914.** This is the most conservative statement made as a result of an exhaustive investigation. The last statement by the Bureau of Labor Statistics in the Department of Labor gives 76 per cent. as the increase in the cost of living between July, 1914, and July, 1919. The same reports indicate that in the city of Philadelphia the figures were approximately 76 per cent. Two special investigations in the living conditions in the Kensington district during the past five years in all items of a family budget have been on about the same percentage basis as in other cities.

One particular point should be referred to in this connection. One worker in reply to the statement that knitters are earning from \$70 to \$75, or more, per week, stated that, while under particular circumstances a knitter doing special work might occasionally receive earnings as high as \$70 to \$75 per week, such incidents are extremely rare and do not at all indicate the actual earnings of the large majority of the knitters.

To summarize the situation from the point of view of living conditions, three points should be noted:

(1) The knitters in particular and, to a less degree, other operators in this industry have enjoyed a standard of living higher than the operators in other textile groups.

(2) All information available shows that their standard of living has been seriously threatened, if not actually reduced, during the past five years.

(3) **The loss, or threatened loss, of their standard of living and their standing in the textile world are important factors in explaining the present shortage of full-fashioned hosiery workers.** General statements made by these workers indicate that many who are still working in this industry contemplate a change as soon as a favorable opportunity presents itself.

III. Direct Industrial Relations

A. Attitude of Employes Toward Management and Foremen

The attitude of the employes toward the management is not very easily explained. **There is evidently a more or less clearly defined distinction in their minds between their judgments of managers and foremen as men, and their judgments of the same persons as officials under whom they work.** In no instance have any criticisms reflected upon the personal integrity of either manager or foreman. Some of the men interviewed have been very particular to point out that they believed that most of the objectionable acts of the managers and foremen were due to blunders and decisions made upon inadequate information. In several instances, also, men interviewed have taken particular pains to state that they appreciated the difficulty of a manager's position and understood to some extent the manager's point of view and the peculiar situation which he had to meet. This distinction should be clearly borne in mind.

The attitude of the employes toward the managers and foremen as officials may be characterized by the two words, antagonism and distrust. **This attitude of distrust and antagonism is very deep seated.** So strong is it, in

fact, that some of the men have stated that it cannot be overcome.

As an illustration of why they lack confidence in the managers, they will tell you that in the past detectives have been employed in the mills for the purpose of spying upon the workers in the mills and at their union meetings. Many injustices have developed through this method of securing information. It is pointed out that the detectives never secure any real information that the employes would not be willing and glad to give to the managers if the opportunity were offered. Still further, they insist that the detectives distort and even invent their reports to such an extent that information secured in this way is entirely unreliable. **This practice of using detectives has left a very unfortunate complication in the relations between managers and employes.**

A second illustration often referred to as the basis for lack of confidence in the management is that, as a result of experience in the past, they consider all devices and systems of training apprentices suggested or attempted by the manufacturers to be only disguised efforts to reduce rates and earnings and create a surplus of employes.

In the third place, all attempts at increasing production by extra inducements, such as that offered in the profit-sharing plan of the Men and Managements Association, they consider to be disguised methods of speeding up the workers and reducing rates. They claim that experience has taught them to look with suspicion upon every effort of the manufacturers in this direction.

In the fourth place, this attitude of distrust toward the manufacturers shows itself in the fact that the employes look upon their own officers and leaders with distrust whenever they take a stand that seems to be more lenient toward the management than the workers think proper.

The reception which the Men and Managements' Plan received at the hands of the employes when it was presented for their consideration illustrates this deep-seated

distrust and suspicion. The Men and Managements Plan appears to have been rejected, not on the grounds of its merits or demerits, but because it was presented to the employes as a plan formulated by the managers. They, therefore, considered that it must be antagonistic to the interests of the employes and must contain some hidden provision that would be injurious to them.

On the other hand, the employes seem to realize that the manufacturers are very free and willing to discuss grievances and minor difficulties; in fact, they seem to appreciate that a relation exists here that is much more real than they are inclined to disclose.

(1) Methods of Handling Grievances

Methods of handling minor grievances vary in the mills of the Association. There is, however, some provision in every mill for handling such minor difficulties as come up. In some mills the method is more or less established by custom; in others it seems to vary as the immediate occasion demands. All grievances thus handled imply a recognition of the union.

The lack of a systematic and well-regulated plan, not only for handling grievances as they appear, but also for making investigation to prevent the appearance of these grievances, is very conspicuous. In all interviews and in all visits to mills, evidences of the need for joint investigation of conditions out of which these minor grievances develop everywhere appeared. Such grievances as bad material, especially silk of poor quality, poor needles, poor workmanship in previous operations, bad lighting conditions, and bad sanitary conditions are certainly grievances that demand investigation and are open to just settlement. Yet these grievances are the ones most frequently referred to.

In addition to the minor grievances, two rather more general complaints are made. The first complaint is that there are some foremen who are not altogether square in dealing with employes in the settlement of minor griev-

ances and in adjusting working conditions. In the presence of employes the foremen are arbitrary, but their attitude changes when brought before the managers and employes together. Two or three rather conspicuous incidents illustrating this have been seen during the investigation. This attitude on the part of foremen and its effect on the attitude of the employes is a serious detriment to proper and legitimate factory discipline. It creates a feeling of resentment toward the management and work which spreads through the entire working force.

In the second place, the statement has been made frequently by employes that, while the managers may know a lot about machinery, material, and the processes of manufacturing, they are not sufficiently well acquainted with their working force and the general problems of labor and labor point of view to enable them to handle intelligently the questions which arise in this connection. During the strike in the first week of September, two or three incidents developed which indicated a lack of standardization in the factories and the apparent failure of managers to recognize the bearing of this lack of standardization upon their relations with the employes as a whole. A particular question in point is the difference in practice in the mills on the operations of pairing and boxing. This difference in practice apparently resulted in a dissatisfaction sufficiently important to have been a contributing factor in developing a demand for a strike. This diversity of practice in the mills illustrates what the employes mean when they state that the managers are not sufficiently acquainted with the problems and point of view of employes to adjust all these minor difficulties before they develop.

B. Attitude of Employes Toward Each Other

The attitude of distrust and antagonism which the employes as a whole show toward managers and foremen seems also to be characteristic of their relations to one another. While antagonism and an attitude of distrust

may always be found to a certain extent among all groups of people, the relation between the various groups in the full-fashioned hosiery industry seems to be unusually strained. The peculiar situation resulting from competing labor organizations explains in part the unusual strain that exists in this group. The predominant influence of the knitters, the way in which the knitters and toppers are organized into a working unit, the language and racial differences are factors in the situation. It is claimed by the employes that the managers have fostered these dissensions for the purpose of weakening the influence of the employes in the industry. Whether the manufacturers have taken advantage of the situation deliberately or not is by no means clear, but the fact remains that the result is an unfortunate situation. To such an extent has this distrust of one group of employes toward another developed that it has been intimated by one group that the other group had entered into a collusion with the managers to operate to the disadvantage of the first group.

C. Labor Unions

A complete understanding of the conditions of labor unions in this industry demands a brief general reference to changes in industrial organization.

(1) Existing Unions

At the present time the unions among the employes in the twelve mills of this Association are as follows:

(a) Branch 14

Branch 14 is the union with which the employes are affiliated in the Lemuth, the Concordia, and the Haines Mills. Branch 14 is a branch of the American Federation of Full Fashioned Hosiery Workers. The American Federation of Full Fashioned Hosiery Workers has branches in all cities where full-fashioned hosiery work is done. Its officers claim that outside of Philadelphia it is in full control of the full-fashioned hosiery field. The American Federation of Full Fashioned Hosiery Workers is a na-

tional organization, with its main office in Philadelphia. It is not affiliated with any other trade union organization. It is organized on the basis of an industrial union. All employes in the full-fashioned hosiery industry are accepted as members, regardless of sex or craft. Even persons in a clerical position are admitted to membership.

In Philadelphia the mills in which this union exists are not completely organized, but nearly all operations are included in union membership.

(b) American Federation of Labor

In the other nine mills of this Association the employes are organized into the Knitters' Union, Local 706, and the Boarders' Union, Local 696, of the United Textile Workers of America. These organizations are craft organizations and are affiliated with the American Federation of Labor. Only members of the craft are admitted into the union.

It appears to be the policy of the American Federation of Labor to organize only those crafts which control production in the mills. Those crafts are apparently completely organized and fairly well disciplined. No effort is made to organize the employes of other operations. This policy is evidently based upon the theory that the situation in a given mill or group of mills may be better handled by a compact organization of the employes in crafts that control the production of the industry.

Both the Boarders' Union, Local 696, and the Knitters' Union, Local 706, are strong factors in determining the trade relations of employes.

The percentage of organization in these 12 mills is not easily determined. Some manufacturers claim that their mills are practically 100 per cent. organized. The truth of this claim is doubtful. There seems to be a considerable number of employes who are spoken of as independents. They support the union as it seems to their advantage to support it, but otherwise do not take any particular interest in it.

Several general statements have been made to the effect that the rank and file of members in the unions of the American Federation of Labor in this industry are dissatisfied with the leadership now controlling the policy of their union. It has even been stated that this dissatisfaction is so thoroughgoing that a reorganization of the members might take place. It is very difficult to measure the truth of such statements, but they point to the necessity of considering the possibility of the entrance of other labor organizations into this industry.

(c) Other Labor Organizations

Several statements both by manufacturers and by employees have hinted at the development of locals representing the Amalgamated Textile Workers of America, or other organizations. While these organizations may be present, or may be represented by employees working at these mills, definite facts have not come to light that would indicate the existence of such organizations at present among the full-fashioned hosiery workers.

(d) Overlapping of Organizations

The existence of these two groups of unions within the Association presents a very difficult complication. In the Haines Mill, where a majority of the union workers belong to Branch 14 of the American Federation of Full Fashioned Hosiery Workers, there are four knitters and perhaps two or three employees on other operations who are members of Local 706. This situation presents a very embarrassing complication which shows itself in all attempts at adjusting rates.

(2) Important Facts in History of Unions

Local Branch 14 of the American Federation of Full Fashioned Hosiery Workers was organized as a distinct union some five or six years ago. Three distinct facts seem to be involved in the growth of this organization:

(a) First, and probably most important, the members of Branch 14 claim that they were compelled to organize separately because they were not able to gain through the United Textile Workers the demands which they felt

were necessary, and because they had lost confidence in the leaders of the United Textile Workers' organization.

(b) There appears to have been some difference of opinion on social questions in general, and industrial organizations in particular, among the group of employes that became organized into Branch 14. Leaders of 706 regard them as radicals.

(c) The element of racial or national prejudices seems also to have been a factor in this break. Since the organization of Branch 14, of the American Federation of Full Fashioned Hosiery Workers, there has been a strong antagonism between the two groups of unions, Local 706 and Branch 14. During the years from 1914 to 1919 this antagonism between the two groups of members seems to have become very intense. It has played a strong part in strikes and settlements of strikes. It presents at the present moment one of the most serious obstacles to bringing about stable relationships between the employer and the employes.

(i) Strike of February and March, 1919

Early in 1919, Branch 14 had demands for increases in rates before the Full Fashioned Hosiery Manufacturers' Association. While these demands were under consideration, the knitters in the nine mills in which Local 706 is organized went on a strike. The nine mills were closed, and the 706 men in the Haines Mill went out. Branch 14 took no part in this strike.

The strike was settled April 14th by an agreement between Local 706 and the Full Fashioned Hosiery Manufacturers' Association. In a letter dated April 17, 1919, the secretary of the Full Fashioned Hosiery Manufacturers' Association advised Branch 14 of the terms of the settlement. According to this letter, the terms of settlement were to continue in force until December 31, 1919.

The settlement of this strike was made on April 14th, and the terms which effected the settlement were put into operation in all the mills of the Association, including those mills in which Branch 14 was organized.

There is a very decided difference of opinion as to whether or not a contract or agreement exists under the settlement of this strike between Branch 14 and the Full Fashioned Hosiery Manufacturers' Association. It is to be noted that there was no signed agreement between Local 706 and the Full Fashioned Hosiery Manufacturers' Association. The terms of settlement of the strike were agreed to by a conference of the representatives of Local 706 and representatives of the Full Fashioned Hosiery Manufacturers' Association. After this settlement was reached by conference, the secretary of the Full Fashioned Hosiery Manufacturers' Association sent a letter to the secretary of Local 706 and a copy of the letter to Branch 14 as an agreement or contract binding until the 31st day of December, 1919.

Branch 14 claims never to have regarded the terms of this settlement as either a contract or an agreement to which they had bound themselves:

(1) They would not go out on the strike and were, therefore, not implicated in the strike settlement.

(2) They had nothing to do with the conferences which brought about the settlement of the strike. Branch 14 recognizes the fact that the terms of the settlement of the strike were put into operation in the mills in which they were working, and they continued to work from the date of settlement until the 1st of September under the terms operating in the mills. **They do not regard tacit acceptance of the terms of settlement as constituting an agreement or contract between Branch 14 and the Full Fashioned Hosiery Manufacturers' Association.**

(ii) Strike of September, 1919

On August 5, 1919, Branch 14 presented to the Full Fashioned Hosiery Manufacturers' Association a demand for increase in rates. On August 14th the secretary of the Manufacturers' Association replied, stating the increase which the manufacturers were willing to grant by calling attention to the fact that the Manufacturers' Association regarded this demand for an increase in rates as

a violation of the contract made on April 14, 1919. This reply of the Manufacturers' Association to the demand of Branch 14 was rejected by Branch 14 on Friday evening, August 15, 1919. At that time Branch 14 voted to apply to the American Federation of Labor for a strike indorsement to influence their demand for an increase in wages. The strike indorsement was granted, and the Lemuth, Concordia, and Haines workers went on a strike September 3d.

The strike was settled by a compromise on rates reached at a meeting held Thursday afternoon, September 5th. This compromise resulted in a new rate schedule averaging about 12 per cent. higher than the rates in operation before the strike. This new schedule is in effect until December 31, 1919. No decision was reached as to the validity of the contract which the Full Fashioned Hosiery Manufacturers' Association claims existed between the manufacturers and their employes. Several minor points were left for further adjustment.

One of the particular difficulties involved in this settlement arose from the fact, as stated above, that four knitters in the Haines Mill belonged to Local 706. This difficulty was met by making a distinction in rates between gum silk knitters operating double machines and those operating single machines. Local 706 would not join in the strike or be a party to the settlement and received very little as the result of the settlement.

The existence of these two unions, so different in character of organization and in methods of handling problems, presents a difficulty in the way of any kind of joint agreement between the manufacturers and the employes that cannot be overcome without great care and effort. It is clear that if any organization between the manufacturers and employes is effected, it must recognize the difficulties involved in the existence of these two labor organizations.

(4) Attitude of Unions

(a) Toward Employment Management and Records. The attitude of unions toward employment management and records is in a measure hostile. The hostility is based upon the fear that an employment manager and the records which he uses discriminate against employes who are active in union circles. The leaders see the possibilities of real advantage to both manufacturer and business employes in a legitimate and fair use of labor records and employment management. **Their distrust of the system might be overcome, but a single instance of unfair discrimination might be fatal to its success.**

(b) Toward any plan of joint agreement the leaders have about the same attitude. They would like to see the relationships between the manager and employer better organized and more stable, but they state that the distrust of employes for the manager is so great that such a joint agreement would be difficult to secure.

(c) Toward the Labor Manager. Toward the proposition of a labor manager for this group of mills they again point to the distrust existing among the employes and speak very strongly of the difficulty involved in securing a man who would act in the capacity of a labor manager. They recognize very clearly the obstacles to be met in such a position and the ability required to face them. **Could a labor management plan be developed to meet the situation in this Association, we feel that there is a possibility of its being tried out by the employes.**

(d) Toward Any Plan for Arbitration. The same attitude toward any plan of arbitration is held as toward the labor management plan. The attitude of the unions toward these various factors involved in the labor and management program will be suspicious and questioning. Again, the existence of the two unions in the groups increases the difficulty. It is possible, however, that the way may be clear as the efforts to develop a plan continue.

PART III
STUDY OF EMPLOYEES' EARNINGS IN TEN
MILLS OF THE ASSOCIATION

The payroll earnings of the various employes in the mills of the Association were secured for the purpose of making a comparative study of actual earnings in the various mills and among the various occupational groups found in those mills.

Payroll data for the months of May, June and July, 1919, were furnished by ten mills. For the purposes of this report it has seemed best not to identify the tabulations for each mill by name, since at this time we are trying to emphasize the need for a careful analysis of the payroll figures of all the mills on the part of the Association. For this reason each mill is referred to by letter. The executives of each mill will receive from us under separate cover a supplementary statement regarding the payroll earnings for their mill. By means of this supplementary report each executive will be able to identify the figures for his mill in this general report.

It was impossible to secure any of the figures from two of the twelve mills in the Association, and from another mill we were able to secure the figures for only four occupations. There is no reason to believe that the missing figures from these mills would have changed any of the conclusions drawn from the figures presented in this study.

In securing the payroll earnings care was taken to note each employe's occupational classification, and the employes were then grouped according to the occupational classifications furnished by the mills.

From the payroll statistics that were made available to us by the various mills, we were unable to sub-divide the groups in those occupations where it is evident sub-divisions should be made for the purpose of careful analysis. For example, in our comparison of earnings of footers we have been unable to separate those working on a 33-gauge machine from those working on other gauges, since in most instances the records furnished us gave no indi-

cation as to what gauges the individuals worked on during the period covered by the earnings reported. Neither was it possible to sub-divide the workers in an occupation according to the materials worked on during the period covered.

It was found in the majority of the mills the employes were paid bi-weekly during the period studied, and all earnings have been studied on a bi-weekly basis. In those mills where the employes were paid every week, six bi-weekly periods for each employe were secured by adding together the first two weeks in May as one pay period, the second two weeks were added together as the second pay period, etc. Each employe's earnings for the three months were thus divided into six bi-weekly payments.

Wherever we have calculated average bi-weekly earnings for the three-month period, we have adopted the rule of including only those employes who were on the payroll from the beginning of the three-month period to the end.

The study here reported includes only those occupational groups for which we had figures from all mills. Such groups as laborer, chauffeur, presser, boxer, stamper, labeler, shipper, etc., were reported by only a few of the mills and, even then, included but one or two individuals. For comparative purposes it is obvious that such groups must be omitted from this study. Foremen and foreladies are also excluded from this report.

No account was taken of lost time within the three-month period, because we are here interested in comparisons of actual earnings, irrespective of the complexity of factors involved. Such factors need to be taken into consideration at a later time if a more complete analysis of payroll records is to be made.

A. AVERAGE EARNINGS FOR VARIOUS OCCUPATIONAL GROUPS

Table I gives figures showing the average bi-weekly earnings for various occupational groups in each mill and for all mills combined. For each mill the figures are

shown in three columns. The first column gives the number of employes in each occupation, the second column gives the average bi-weekly earnings of all the workers in each occupation, and the third column gives the **average differences in bi-weekly earnings** (earning power) between the individual workers within each occupation.

(1) Comparison of Mills

First, we will consider the average bi-weekly earnings which are shown in the second column for each mill.

The average bi-weekly earnings of the eight footers in Mill A were \$114.69. For Mill B the average bi-weekly earnings were \$58.87. Reading across the table we see that the average bi-weekly earnings for footers vary considerably from mill to mill. Mill I shows the highest average bi-weekly earnings (\$120.07); and Mill B the lowest (\$58.87). Footers as a group, taking all mills combined, have an average bi-weekly earning of \$82.47. It is evident that there is a great difference in the average earnings of workers in an occupation in one mill as compared with the earnings of workers in the same occupation in another mill. The same sort of difference is evident for each occupation shown in Table I, although the differences are not as great for some of the occupations. Winders, for example, show only a slight fluctuation in average earnings from mill to mill—the highest in Mill A having an average of \$29.96, and the lowest in Mill E having an average of \$24.94.

(2) Comparison of Occupations

Differences in average earnings in dollars and cents between various occupational groups are also shown in Table I. The average earnings for each occupation for all mills combined range from footers at the top (average earnings \$82.47) to winders at the bottom (average earnings \$26.14). It is important to note that the ranking of these occupations from highest to lowest is not uniform for all of the mills. For example, seamers in Mill E make

considerably less than do menders in Mill E. The reverse is true in comparing the same two occupations in Mill F. A further illustration of this lack of uniformity may be noted in Mill G where pairers, who in all the mills combined average \$27.34 and therefore rank next to the lowest in earnings, are receiving \$36.75 and therefore rank fourth, which is higher than loopers, toppers, menders and seamers. The significance of such a situation is evident if you think of pairers in Mill G seeking employment in Mill H, where pairers earn very much less than any other of the occupations shown.

(3) Toppers, Loopers and Seamers

As was pointed out in Part I of this report, because of the strategic position that toppers hold in the industry, it seems expedient that recognition should be made of that position by an adjustment that would permit their receiving somewhat higher earnings than loopers and seamers. Because of the longer time required to become a proficient looper as compared with a seamer, the earning power of loopers should be somewhat higher than that of seamers. According to the average bi-weekly earnings, toppers stand fourth in the list of occupations in Mill I, while loopers rank sixth and seamers rank fifth; but in Mill G the toppers rank seventh, loopers sixth, and seamers fifth. At the same time, in Mill D we find that seamers rank third in the list above boarders, who are fourth, while menders rank fifth and above toppers and loopers, who rank sixth and seventh, respectively.

This lack of uniformity from mill to mill in the amount of earnings of workers in one occupation as compared with another is brought out in detail in Table II. In this table under each mill the occupation receiving the highest average earnings is listed first, the occupation receiving the next highest average earnings is listed second, and so forth.

This study of the figures presented in Table I and the rankings presented in Table II from the standpoint of average bi-weekly earnings has shown:

TABLE II
Ranking of occupations in each mill according to the average earnings of workers in that mill

Rank by Average Earnings	MILL A	MILL B	MILL C	MILL D	MILL E	MILL F	MILL G	MILL H	MILL I	All Mills Combined
1	Footer	Legger	Footer	Legger	Footer	Footer	Legger	Footer	Footer	Footer
2	Legger	Footer	Legger	Footer	Legger	Legger	Footer	Legger	Legger	Legger
3	Boarder	Seamer	Boarder	Seamer	Boarder	Boarder	Boarder	Boarder	Boarder	Boarder
4	Seamer	Boarder	Mender	Boarder	Mender	Pairer	Pairer	Seamer	Topper	Seamer
5	Topper	Mender	Topper	Mender	Looper	Topper	Seamer	Mender	Seamer	Mender
6	Mender	Topper	Seamer	Topper	Topper	Looper	Looper	Topper	Looper	Topper
7	Pairer	Looper	Looper	Looper	Seamer	Winder	Topper	Looper	Winder	Looper
8	Winder	Pairer	Winder	Pairer	Pairer	Seamer	Winder	Winder	Pairer	Pairer
9	Looper	Winder	Pairer	Winder	Winder	Mender	Mender	Pairer	Mender	Winder

NOTE.—Mill J omitted because figures were furnished for only four of the above occupations.

TABLE I
Earnings and Differences in Earning Power for Various Occupational Groups

	MILL E			MILL F			MILL G			MILL H			MILL I			MILL J			ALL MILLS COMBINED										
	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Bi-weekly Earnings of Highest Worker	Bi-weekly Earnings of Lowest Worker
	\$84.30	\$12.13	26	\$69.14	\$25.26	24	\$74.19	\$14.27	5	\$96.21	\$16.29	5	\$120.07	\$15.10	6	\$83.90	\$8.02	140	\$82.47	\$35.21	140	\$82.47	\$35.21	140	\$82.47	\$35.21	140	\$143.08	\$35.21
	70.17	24.71	51	60.48	21.22	48	78.43	19.08	18	72.96	16.83	22	93.99	11.40	12	71.28	11.45	293	75.21	12.74	293	75.21	12.74	293	75.21	12.74	293	150.68	12.74
	46.67	3.48	*			23	47.16	3.01	4	56.38	0.84	4	55.88	4.16	5	46.21	1.46	101	48.42	26.55	101	48.42	26.55	101	48.42	26.55	101	61.55	26.55
	29.15	5.50	30	25.56	5.79	28	29.33	9.19	5	44.99	6.78	8	37.31	2.95	157			157	31.16	7.26	157	31.16	7.26	157	31.16	7.26	157	65.86	7.26
	38.77	2.96	28	23.76	7.17	14	25.80	1.95	3	38.23	3.55	6	22.69	8.11	118			118	30.90	3.65	118	30.90	3.65	118	30.90	3.65	118	46.16	3.65
	29.51	2.78	57	29.32	2.41	49	26.25	4.32	10	32.44	3.65	8	37.74	4.76	260			260	30.39	12.86	260	30.39	12.86	260	30.39	12.86	260	65.75	12.86
	31.78	4.33	28	27.52	6.61	25	26.46	4.79	7	31.59	5.14	7	34.15	6.63	171			171	29.48	10.37	171	29.48	10.37	171	29.48	10.37	171	46.35	10.37
	28.04	6.57	5	29.95	1.35	7	36.75	1.31	3	19.94	5.31	7	26.45	2.39	67			67	27.34	11.98	67	27.34	11.98	67	27.34	11.98	67	54.87	11.98
	24.94	3.53	15	27.26	1.56	14	25.83	1.97	3	29.30	2.07	5	27.56	3.04	105			105	26.14	18.68	105	26.14	18.68	105	26.14	18.68	105	34.58	18.68

TABLE III
Uncertainty of Earnings for Various Occupational Groups

	MILL D		MILL E		MILL F		MILL G		MILL H		MILL I		MILL J		ALL MILLS COMBINED	
	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees
	\$10.27	33	\$6.98	26	\$7.19	24	\$11.61	5	\$6.86	5	\$21.94	6	\$10.01	140	\$7.46	140
	8.21	54	7.44	51	7.62	48	10.35	18	5.99	22	7.97	12	13.98	293	8.10	293
	6.59	36	5.43			23	4.88	4	4.24	4	6.01	5	4.59	101	5.28	101
	5.87	44	3.73	30	3.30		3.02	5	8.62	8	6.40			157	4.08	157
	4.63	30	4.13	28	3.09	14	2.37	3	5.26	6	4.64			118	3.71	118
	3.72	61	4.16	57	2.84	49	4.26	10	2.63	8	7.28			260	3.89	260
	4.24	45	4.10	28	2.41	25	3.07	7	4.62	7	5.76			171	3.67	171
	3.72	21	2.38	5	3.31	7	2.63	3	2.44	7	2.83	4	2.60	67	3.09	67
	3.55	33	2.53	15	2.33	14	2.34	3	1.73	5	3.83			105	2.82	105

TABLE I
Average Bi-weekly Earnings and Differences in Earnings

Occupation	MILL A			MILL B			MILL D			MILL E			MILL F						
	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power	Number of Employees	Average Bi-weekly Earnings	Differences in Earning Power				
Footer	8	\$114.69	\$7.00	7	\$58.87	\$12.44	18	8	\$108.99	\$11.12	33	33	\$84.30	\$12.13	26	26	\$69.14	\$25.56	21.2
Legger	19	101.21	29.20	4	67.90	18.59	47	18	110.12	30.90	54	54	70.17	24.71	51	51	60.48		
Boarder	8	60.23	1.11	5	44.55	7.13	10	6	45.17	7.95	36	36	46.67	3.48	*	*			
Seamer	7	44.39	4.73	4	46.71	1.30	23	8	46.18	6.43	44	44	29.15	5.50	30	30	25.56	5.7	
Mender	6	35.28	2.36	9	32.42	4.52	17	5	38.30	3.57	30	30	38.77	2.96	28	28	23.76	7.1	
Topper	16	37.27	2.04	11	31.67	5.89	31	17	37.93	3.07	61	61	29.51	2.78	57	57	29.32	2.4	
Looper	13	29.88	5.17	15	27.79	5.70	22	9	35.82	2.53	45	45	31.78	4.33	28	28	27.52	6.6	
Pairer	5	30.49	0.86	4	25.78	1.90	7	4	26.66	1.13	21	21	28.04	6.57	5	5	29.95	1.3	
Winder	4	29.96	3.40	1	25.28	.	24	6	25.47	3.05	33	33	24.94	3.53	15	15	27.26	1.56	

* Figures for Boarders in Mill F not available

TABLE III
Uncertainty of Earnings for Various

Occupation	B		MILL C		MILL D		MILL E		MILL F	
	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings	Number of Employees	Uncertainty of Earnings
Footer	18	\$12.44	18	\$7.29	8	\$10.27	33	\$6.98	26	\$7.19
Legger	19	9.46	47	6.66	18	8.21	54	7.44	51	7.62
Boarder	8	6.51	10	5.66	6	6.59	36	5.43		
Seamer	7	6.62	23	3.84	8	5.87	44	3.73	30	3.30
Mender	6	6.34	17	2.87	5	4.63	30	4.13	28	3.09
Topper	16	6.86	31	3.09	17	3.72	61	4.16	57	2.84
Looper	13	6.70	22	2.17	9	4.24	45	4.10	28	2.41
Pairer	5	4.74	7	4.74	4	3.72	21	2.38	5	3.31
Winder	4	2.28	24	3.48	6	3.55	33	2.53	15	2.33

by no means constant from mill to mill. Leggers, for example, are much more alike in earning power in Mill C (represented by the amount \$11.44) than the leggers in Mill A (represented by the much greater amount of \$29.20).

(2) Comparison of Occupations

Not only is there this great variation in the same occupation from mill to mill, but we find just as great a variation when we compare two occupations. While there is a very large consistent difference in earning power among the individuals classed as footers, we find only small differences in earning power among pairers. The differences for pairers are less than \$2.39 in each of the mills except two, where, for some undetermined reason, the difference in earning power jumps to \$6.57 (Mill E) and \$5.31 (Mill H).

These differences in earning power among individuals in the same occupation may be due to any one of a number of causes; such as absenteeism on the part of some of the employes, working on different grades of material, differences in actual skill or production ability; differences in the efficiency of various machines; or differences in gauge of machines. It is impossible without further study to determine the causes of these great differences in earning power. Until the causes are established, the significance of these differences in earning power cannot be understood. It would seem highly desirable that a special study be undertaken by your Association designed to discover the causes of such differences.

The study of the figures presented in Table I from the standpoint of differences in earning power has shown:

- I. There are very great differences between individual workers in the same occupation with respect to earning power.
- II. The differences in earning power for any given occupation are by no means constant from mill to mill.
- III. Differences in earning power in some occupations are very much greater than in other occupations.

Only by such a study as we have recommended above will it be possible for your Association to discover the import of these differences.

C. IRREGULARITY OF EARNINGS FROM BI-WEEKLY PERIOD TO BI-WEEKLY PERIOD

The irregularity of earnings from one pay period to another for various occupations in the different mills is brought out on a dollars and cents basis in Table III. This table brings out the uncertainty of earnings that confronts the workers in the various occupations in these mills. The uncertainty of earnings for the footers in Mill A is \$9.21; for the footers in all mills combined the uncertainty is \$7.46. This means that the workers in the footer group (all mills combined) have an average variation in earnings of \$7.46 above, and \$7.46 below, their average bi-weekly earnings. Such an uncertainty of earnings is obviously undesirable, for in the long run workers are apt to become dissatisfied and terminate their employment because of the irritation they feel at not knowing within a reasonably small limit what their earnings will be from period to period. At first thought there is apparently a less uncertainty in such an occupation as pairer or winder. It is well to remember, however, that although the variation is only two or three dollars for these groups, yet these two or three dollars may be a very serious matter to those workers in view of their smaller bi-weekly earnings.

To bring out the extent of this uncertainty more clearly, we have counted up the number of workers in each occupation who individually have an average variation in earnings from period to period greater than the average variation for all mills combined. We have converted these numbers into percentages and present them in Table IV. The meaning of the uncertainty of earnings for footers (all mills combined) becomes clearer by reference to this table. For all mills combined we find that 57 per cent. (last column of Table IV) of all footers have an

TABLE IV
Percentage of Employees in each Occupational Group
having a Greater Uncertainty of Earnings than
the Average for All Mills Combined

	MILL A	B	C	D	E	F	G	H	I	J	All Mills Combined
Footer	75%	85%	44%	87%	39%	46%	66%	40%	100%	83%	57%
Legger	31	75	15	50	35	31	69	22	36	83	39
Boarder	12	80	50	17	30	—	22	0	75	40	32
Seamer	57	100	22	50	25	30	14	80	87	—	33
Mender	67	89	18	20	33	30	14	66	66	—	36
Topper	38	91	23	29	36	17	43	10	100	—	34
Looper	31	80	9	33	47	18	28	57	100	—	38
Pairer	40	100	85	50	9	60	43	33	30	50	40
Winder	50	0	58	33	33	20	21	0	40	—	28

average variation of earnings actually greater than \$7.46 above, or \$7.46 below, their average earnings. A comparison of the percentages for each mill for the footers brings out the interesting fact that the uncertainty of earnings is much more serious in Mills A, B, D, I, and J than in the other mills. Carrying the comparison between mills further, we note that in some of the mills the uncertainty of earnings for all the occupations is much greater than in the other mills. Mill B, for example, in every occupation except one, has a very high percentage of workers with a variation of earnings actually greater than the average for the rest of the mills. Mill I, likewise, has a very high percentage for most of the occupational groups. This means that the workers in Mills B and I have on the average a much greater uncertainty of earnings than do the workers in the other mills. Mills E and F have on the average a lower percentage of workers with a variation of earnings greater than the average for the rest of the mills. It is impossible to state without further study just what cause or causes are operative in producing the general uncertainty of earnings for practi-

cally all of the occupations in these mills. It would be desirable to adopt some method of determining what part of this uncertainty of earnings is due to conditions within the control of the employes (such as absences and voluntary restriction of output), and what part is due to conditions that the company can remedy (such as lost production time due to breakdown in machinery, lack of raw materials, poor routing of material, frequent shifting of employes from one grade of material to another, frequent shifting of employes from one gauge machine to another, etc.).

The figures presented in Tables III and IV show:

I. There is great irregularity of earnings from pay period to pay period among all of the occupations and in all of the mills.

II. Some mills show a decidedly greater irregularity of earnings for all of the occupations than do other mills.

III. Although the variation in earnings for such groups of workers as winders and pairers seems much smaller than for other occupational groups, it may be a serious matter to these employes in view of their smaller bi-weekly earnings.

The seriousness of this uncertainty of bi-weekly earnings is perhaps more evident if you assume an individual case. If employe Jones is an average footer in one of the mills, he will earn about \$60.00 in any one period, theoretically. Actually, he may earn \$40.00 in one period, \$48.00 in the next, \$80.00 in the next, and then around \$65.00 in the next three periods. Meanwhile employe Smith, likewise an average footer in the same mill, earning about \$60.00 as an average, may actually receive \$96.00 in one period, \$90.00 in the next, and then drop for the next period or two as low as \$28.00.

If employes Jones and Smith have any desire to control their expenses according to their probable income, such fluctuations in earnings from one pay period to another must lead to resentment. In so far as it is within the power of your Association to minimize such fluctuations, it is your obligation to do so.

SUMMARY

This study of the payroll data for the three-month period ending July, 1919, has brought to light conditions with respect to earnings that need the attention of your Association.

The significant points developed by this study of earnings, and already discussed and presented in the preceding sections of Part III, are brought together and presented here in the nature of a summary:

I. There are great differences in the average earnings of workers in an occupation in one mill as compared with the earnings of workers in the same occupation in another mill.

II. There are great differences in average earnings between the various occupational groups, and the ranking of these occupations from highest to lowest is not the same in one mill as in another.

III. There are large differences between individual workers in the same occupation with respect to earning power.

IV. The differences in earning power for any given occupation are not constant from mill to mill.

V. There is irregularity of earnings from pay period to pay period among all the occupations and in all the mills.

VI. Some mills show a greater irregularity of earnings for all the occupations than do others.

VII. Although the variation in earnings for such groups of workers as winders and pairers seems much smaller than for other occupational groups, it may be a very serious matter to those employes in view of their smaller bi-weekly earnings.

These significant facts show the fallacy of any attempt, either on the part of the Association or on the part of the representatives of the unions, to make adjustments in wage rates without intensive study that will be equitable or give satisfaction to the people working in these occupations.

The remedy for such irregularities as have been disclosed by this study of earnings does not lie in the wholesale increase of rate schedules, but in a sincere effort to determine the cause of the irregularities, and, then, to remove the cause or to make proper wage allowance in cases where conditions prevent any other equitable adjustment.

PART IV
RECOMMENDED PROCEDURE FOR IMPROVING
INDUSTRIAL RELATIONS

I. Employment Records

In Part I of this report reference was made to the need in your industry for employment records.

You will recall that the need of an application blank was especially emphasized. **It is desirable that all of the mills in the Association should adopt uniform records.** We have attempted, with this in mind, to prepare an application blank for your use, which will, we believe, meet the requirements of each mill individually as well as the requirements of the Association. A sample of this application blank is enclosed. The advantage of such a record has been previously discussed. We believe that you are all agreed that such records should be maintained.

We also enclose a copy of the card which we have referred to above as a qualification card. **The advantage of a record on just this form is that it brings together at one source the significant facts regarding each individual employe.** It records his training, his education, his progress while in your employ, his length of service, his attendance and his earnings. It also records the training he desires.

Such records are essential for any one concerned with the labor situation in your industry. By means of such records it is possible to obtain actual facts regarding your source of labor supply and regarding the characteristics and qualifications of your employes, whether you desire this information from the standpoint of preventing difficulties that might otherwise arise or for the purpose of determining wage increases for specific occupations. In addition, such facts will contribute to a better understanding of your training problems.

In Part II we have referred to the feeling expressed on the part of the employes that in many instances the Association did not have sufficient knowledge of just such facts concerning the industry as are provided for in these

employment records. **The employees feel that if you had such records at hand, you would willingly concede some of the points that are subjects of disagreement between the management and the employes at the present time.** If the employes are right in their assumption, you want to know it. If, on the other hand, the information obtained from these records should substantiate the assumptions you are making, one of the difficulties that you face in reaching a decision with your employes would have been removed.

II. Employment Record Clerk

These employment records can be installed and an employment record clerk put in charge of them whether or not you wish to go further with the recommendations we make to you. Under such an arrangement the employment record clerk would be responsible, first, for obtaining an application blank properly filled out for every person who applies for work; second, a qualification card properly filled out for every person employed in the mill and for every new employe who is added to the working force. Under this arrangement the actual use of the records would be in the hands of a person selected in your organization to study labor conditions and to settle such disputes and misunderstandings as might arise between the company and individual employes, or between the company and groups of employes.

III. Employment Managers

In some of the larger mills we have recommended that you consider hiring an employment manager. We have not made this recommendation with any idea of the employment manager's injecting himself between the owners or the manager of the mill and their employes. On the contrary, it is because an employment manager would be able to do so much to bring the manager of the mill and the employes into closer contact with each other that we have made this recommendation.

An employment manager capable of accepting a position in your mills would, by training and experience, be able to use the employment records more intelligently than any one who has not had that particular kind of experience and training.

It is the function of the employment manager to understand such records and to see tendencies as they arise that are apt to lead to difficulties in industrial relations. A capable employment manager is generally able to convince the workers of his entire good faith, and, as a result, is frequently able to create a confidence on the part of the employes in the management that the management would find difficult to create for itself. It is also important to bear in mind in this connection that, in addition to the training and experience that an employment manager would bring to this work, he or she would bring an enthusiasm which would naturally increase as the work developed. If, on the other hand, some executive in the mill attempts to handle this work in conjunction with the many other responsibilities that will naturally fall upon him, his enthusiasm and interest in a study of the labor situation in all of its details will be lessened constantly, as the pressure of other work cuts into the time he is able to give to employment matters.

Also, in addition to the special knowledge that the employment manager possesses, it is a part of his obligation to keep posted on the new developments in his line of work throughout the country. There is in Philadelphia an Employment Managers' Association which holds regular meetings for the purpose of discussing the details of employment management in various industries. There are also such organizations in most of the larger cities in the United States, and representatives from an association in one district frequently meet with the members of the other associations. There is a National Association of Employment Managers, and this organization supplies information and gives assistance, not only to the individual associations, but to individual employment man-

agers who are members of such organizations as the Philadelphia Employment Managers' Association.

Employment managers throughout the country have recognized that the success of their work depends in part on their co-operation with each other. The result of this co-operation is that industries, which have employment managers of the right type, benefit very materially by this co-operative spirit.

It is entirely possible for any of you who are interested to secure the services of an employment manager without adopting any more of our recommendations to you than his installation and that of the employment records already referred to.

IV. Labor Managers

Employment records can be installed in any of the mills of your Association when the management recognizes the advantage of such records. In each mill you can put these records into the hands of an employment record clerk supervised by one of your present executives or you can procure the services of a trained employment manager. You can act as individual mills in this matter without regard to the decisions of the other mills in your Association. If, as an Association, you should decide to adopt our recommendation regarding a labor manager, you should not consider the plan from the standpoint of your individual mills but from the point of view of the Association.

In considering our recommendations, involving a labor manager, it is necessary that you realize the problem is to be worked out between representatives of your Association and representatives of the labor unions existing in the mills of your Association.

It must not be thought of as the plan of the Full Fashioned Hosiery Manufacturers' Association nor as the plan of The Scott Company. **Neither your Association nor The Scott Company can of itself create and put into operation the machinery for a satisfactory agreement between the mills of your Association and your employes. The details**

of this effort, as well as the exact nature of the major principles, must be worked out jointly between duly authorized representatives of the labor unions involved and of your Association. When, as a result of your joint effort, a plan is perfected, it will be necessary for it to go to the managers and to the employes of the individual mills for acceptance or rejection.

It is evident, therefore, that we cannot submit a plan to you, as a part of this report, that will be guaranteed to solve your industrial problems. We cannot even draw up a plan, all complete and charted, that may be thought of as just or final. We can, however, advise you as to the method you should adopt in attempting to inaugurate an agreement on the basis of joint action between your workers and yourselves, and it is on this basis that we make our recommendations. If we suggest points for common agreement, it is not with the idea of predetermining the exact plan to be adopted, but in order that the nature and purpose of the agreement to be effected may be understood and that the procedure we recommend may be clear.

A. The Purpose of the Plan Which is to be Worked Out

As a result of our investigation we believe that your Association must work out a definite labor policy. If such a policy is to be adequate for the present and immediate future, it must be developed as a result of joint conference and with the understanding that the workers will have a voice in shaping the policy. As a part of this labor policy, we consider the time to be ripe for a collective agreement between your Association and the labor unions with which your workers are affiliated. The purpose of this agreement should be to establish on a more dignified and permanent basis a plan for collective bargaining and collective contract, with the intention of agreeing on wage and working conditions and of providing a method for adjusting all differences that may arise during the time of the agreement.

In order that the work of the labor manager under such a plan may be better understood, we will point out what the expectations of the Association and of the unions should be as to the result of such an agreement. Then, we will suggest briefly what the obligations of both parties should be, and of what the machinery should consist for enforcing these obligations and securing the benefits that should result. Of course, the work of the labor manager is part of this machinery. But first, we will speak of what the Association and of what the unions should each expect from this machinery when set up.

(1) Benefits to be Expected

On the part of the Association, it should be the expectation that such an agreement will result in the establishment and maintenance of a high order of discipline and efficiency, as the result of the willing co-operation of the unions and the workers; that, by the exercise of this discipline, all stoppages and retardation of work on the part of the employes will cease; that good standards of workmanship and conduct will be maintained; that a proper quality, quantity, and cost of production will be assured; and that co-operation and good-will will be established between the parties concerned.

On the part of the unions, it should be the expectation that this agreement will operate in such a way as to maintain and strengthen their organization, so that it may be strong enough to co-operate as contemplated in the agreement and to command the respect of the employers; that they shall be consulted in the formulation of any new policy and that the carrying out of policies agreed upon shall be in the hands of a labor manager, who shall be acceptable to them and who shall perform his duties with proper regard to the rights of both parties; that they shall have equal voice with the Association in the creation of the tribunal, to which they may appeal in case they have grievances, or in case they disagree, either regarding the policies to be adopted or the

administration of policies already agreed upon and part of the working agreement at that time.

(2) Obligations to be Recognized

The obligation that the Association must assume, if such an agreement is effected, is that they recognize the need of assisting in strengthening the union organizations with which they agree to work under this plan.

The obligation that the unions must recognize is that, just as the strength of their own organization is important from the standpoint of the Association, so it is important to work co-operatively with the Association. It is especially important that they should support vigorously the terms of the agreement and the decisions of the tribunal, whom they have had an equal voice in establishing and whose decisions they are equally bound to respect.

(3) Essential Machinery

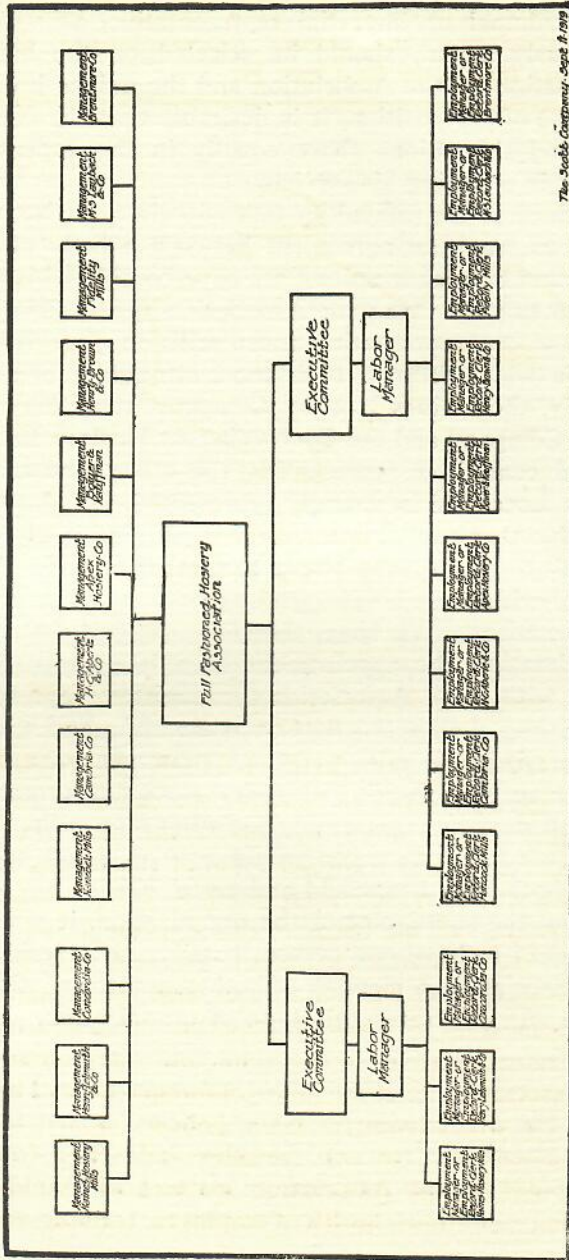
The machinery for enforcing this policy and securing the benefits, to which we have referred, will be described in the agreement finally drawn up and subscribed to. This agreement must result from the deliberations of authorized representatives of your Association and of the labor unions involved. In the organization provided for in the agreement, these representatives may be looked upon as the legislative body. The executive body will consist of an executive committee appointed by the Association, which will deal with accredited representatives of the labor unions, acting with the authority bestowed upon them because of the office they hold, or specially appointed for this purpose by the unions they represent. The administrative representatives of this executive group will be the labor managers. These labor managers will be compensated for their work by the Association. For the judicial duties, we recommend that a person be considered who by training and environment is impartial, but who is familiar with the problems and difficulties that arise generally wherever there are industrial relations.

This tribunal or impartial representative, as we have previously stated, should be selected on the basis of joint action by the Association and the unions involved. Because of his position, it is desirable that the Association and the unions share equally in the expense involved in retaining his services.

Because of the difficulties that will always arise in any effort to reach an agreement between a body of managers and two labor unions, we have considered it advisable to suggest that your Association appoint two committees: one representing those mills in your Association in which Branch 14 is most strongly represented, namely, the Haines Hosiery Company, the Henry Leh-muth Company and the Concordia Silk Hosiery Mill; the second committee representing the other nine mills in which Local 706 is strongly represented. It also seems probable that one labor manager would find it extremely difficult to render satisfactory services if he were obliged to deal with three bodies, whose opinions and policies so often conflict. We have, therefore, suggested for your consideration the appointment of a labor manager to work with your Association's committee, representing the Haines, Leh-muth and Concordia Mills and with the workers in those mills, and the appointment of a second labor manager to work with your Association's committee and the workers representing the other nine mills. Thus, the same labor manager would not be called upon to work both with Branch 14 and Local 706.

From the standpoint of the organization, it would be important to have one person, possibly the president of the Association, a member of both committees. Chart A (page 78) illustrates this type of organization.

CHART A



The interrelations of the labor manager, the tribunal, the Association, the unions' representatives, and the mills are illustrated by Chart B:

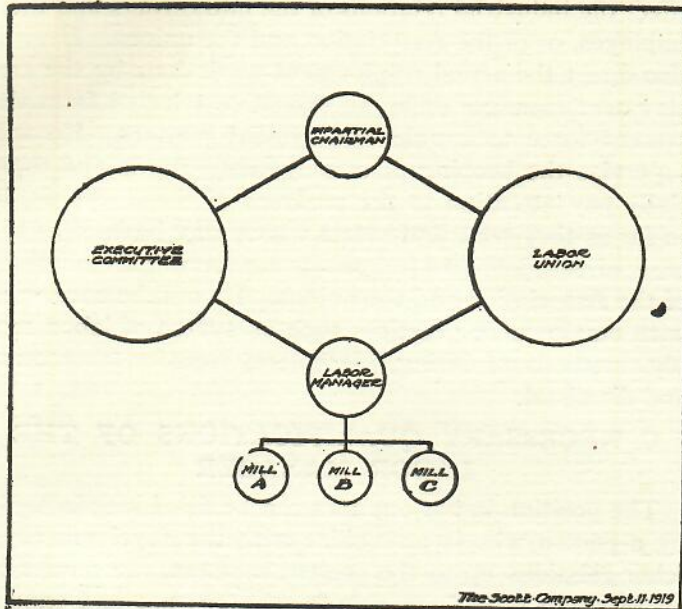


CHART B

B. DUTIES OF THE LABOR MANAGER

We are now ready to consider the duties of the labor manager. These duties are important since they form the basis upon which the selection of the person for this position will be made. First of all, he is held responsible for carrying out the terms of the agreement and all rulings of the impartial chairman. He will deal with the representatives of the unions and with the committee of the Association to whom he reports. As a general rule, when representatives of the union and representatives of the Association meet for joint conference he will be present. He will administer labor policies agreed upon in such meetings. He will consider and study from the standpoint of the Association matters of employment, working conditions, health of employees, training and edu-

cation, discipline, relationships of foremen and other executives to the employes, living conditions, cost of living, fluctuation of earnings, and any other factors which affect the industrial relations of the mill owners and their employes, or of the Association and the unions. He will also direct the actual employment work done by the employment manager or by an executive selected from the present force to handle employment matters. He will supervise the keeping of employment records and especially pay attention to the analyses of these records, in so far as they contribute facts which may be used as the basis of decisions and judgments concerning the relations of the Association and the unions. He will be concerned with employment practices such as source of labor supply, methods of hiring, placement, transfer, promotion and dismissal.

C. NECESSARY QUALIFICATIONS OF THE LABOR MANAGER

The position is not one that can be filled satisfactorily by a person who is unfamiliar with the development of labor relations up to the present moment. It cannot be successfully filled by a person who has not had experience in adjusting difficulties between the employer and employe. The duties would be difficult under any conditions, but impossible for a person who had not the integrity and judgment to deal openly and justly with all parties concerned. For this work it is not so important that the person should have intimate detailed knowledge of the peculiarities of the textile industry, as that he should have a well-grounded understanding of human nature and a sympathetic understanding not only of the prejudices and problems of the employes, but also of the difficulties and perplexing questions which constantly confront managers of industry today.

The Scott Company has no candidate for this position at this time. We are aware of the fact that persons capable of filling such a position are not plentiful. Because of the nature of our work and our connections, it

might be possible for us to assist in finding a person, or persons, whom we could recommend to you as capable for this work. Whether or not you desire us to so assist you, we feel that the selection of such a person, or persons, should not be made hastily; and that, if the selection is made, it should only be after you have satisfied yourselves and the representatives of the unions that the person engaged for this work is experienced in this particular field and qualified by temperament and education for it.

D. FIRST STEP IS A JOINT CONFERENCE

Before any steps are taken to secure labor managers, your Association should decide whether or not it desires to undertake the development of such an industrial agreement as that suggested. If your Association acts favorably upon this suggestion, the first step will be the approach to the labor unions to see whether they will be willing to attempt to work out such an agreement by means of joint conference.

If the union representatives are willing to join in any attempt to establish more stable relations by joint conference you should, with their approval, proceed at once to secure a labor manager, since he would be of tremendous assistance in all of the work involved in the shaping of any definite plan.

Specifically, we recommend that you propose to the union representatives a meeting of the managers of the mills with representatives, acceptable to the unions, of employes of each mill concerned, in order to discuss factors and problems involved in a labor management plan. The purpose of this joint meeting of accredited representatives of both parties is to consider whether or not they wish to attempt by joint effort to work out a detailed plan. It is our opinion that better results will be secured if meetings are held separately (a) between the managers and representatives of the unions and employers in the mills where Branch 14 is strongest; and (b) between the managers and representatives of the unions and employers in the mills where Local 706 is strongly represented.

THE SCOTT COMPANY.